

PEOPLE  
Prize Awards

The Global Newspaper  
Edited in Paris  
Printed Simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague and Marseille

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 31,816

ZURICH, THURSDAY, JUNE 6, 1985

ESTABLISHED 1887

## Senate Panel Backs Sanctions On South Africa

By David B. Ottaway  
and Margaret Shapiro  
Washington Post Service

WASHINGTON — In a stinging defeat for the Reagan administration, the Senate Foreign Relations Committee has voted overwhelmingly to impose economic sanctions on white-ruled South Africa, saying the country is abusing patients.

South African doctors say policy is abusing patients, Page 5.

South Africa, including an end to all U.S. bank loans to the government there.

Striking a compromise on Tuesday between two sets of Republican proposals, the committee approved, 16-1, legislation that would ban computer sales to South African security services or other agencies involved in enforcing racial segregation, and also would end nuclear-power trade and cooperation.

In addition, there would be mandatory application of the Sullivan principles, which set forth guidelines for the 500 or so U.S. companies operating in South Africa to strive to improve nonwhites' living and working conditions.

The principles were named for the Reverend Leon H. Sullivan of Philadelphia, long a critic of South Africa's race policies. Companies found in violation would be deprived of U.S. government aid for export-marketing activities in South Africa.

The lone holdout on the committee was Senator Jesse A. Helms, Republican of North Carolina, who opposed any action.

The Republican-sponsored bill constitutes the strongest economic sanctions against South Africa ever approved by the committee and appears to stand an excellent chance when it reaches the Senate floor.

The Democratic-controlled House was nearing a vote Wednesday on stronger legislation, which would end new loans and investment in South Africa and ban computer sales to South Africa and the import of South African gold coins into the United States.

On Tuesday, the House brushed aside, by ratios of more than two to one, several Republican efforts to weaken the measure.

The House approved by voice vote amendments to prohibit any kind of nuclear assistance to South Africa and to encourage President Ronald Reagan to solicit cooperation from U.S. allies in enforcing the bill's sanctions. The Senate committee approved a similar amendment.

The mood among committee members seemed to be summed up by Senator Christopher J. Dodd, Democrat of Connecticut, who remarked that after five years of denunciation of the horrors of South Africa's apartheid system, "the time has come for action. We must take action."

Essentially, the committee approved a series of amendments calling for the immediate imposition of three specific economic sanctions proposed by Senator William V. Roth Jr., Republican of Delaware, and Senator Mitch McConnell, Republican of Kentucky, along with Mr. Dodd.

The strengthening amendments were attached to a bill sponsored by the committee chairman, Senator Richard G. Lugar, Republican of Indiana, Senator Charles McC. Mathias Jr., Republican of Maryland, and the majority leader, Robert J. Dole, Republican of Kansas.

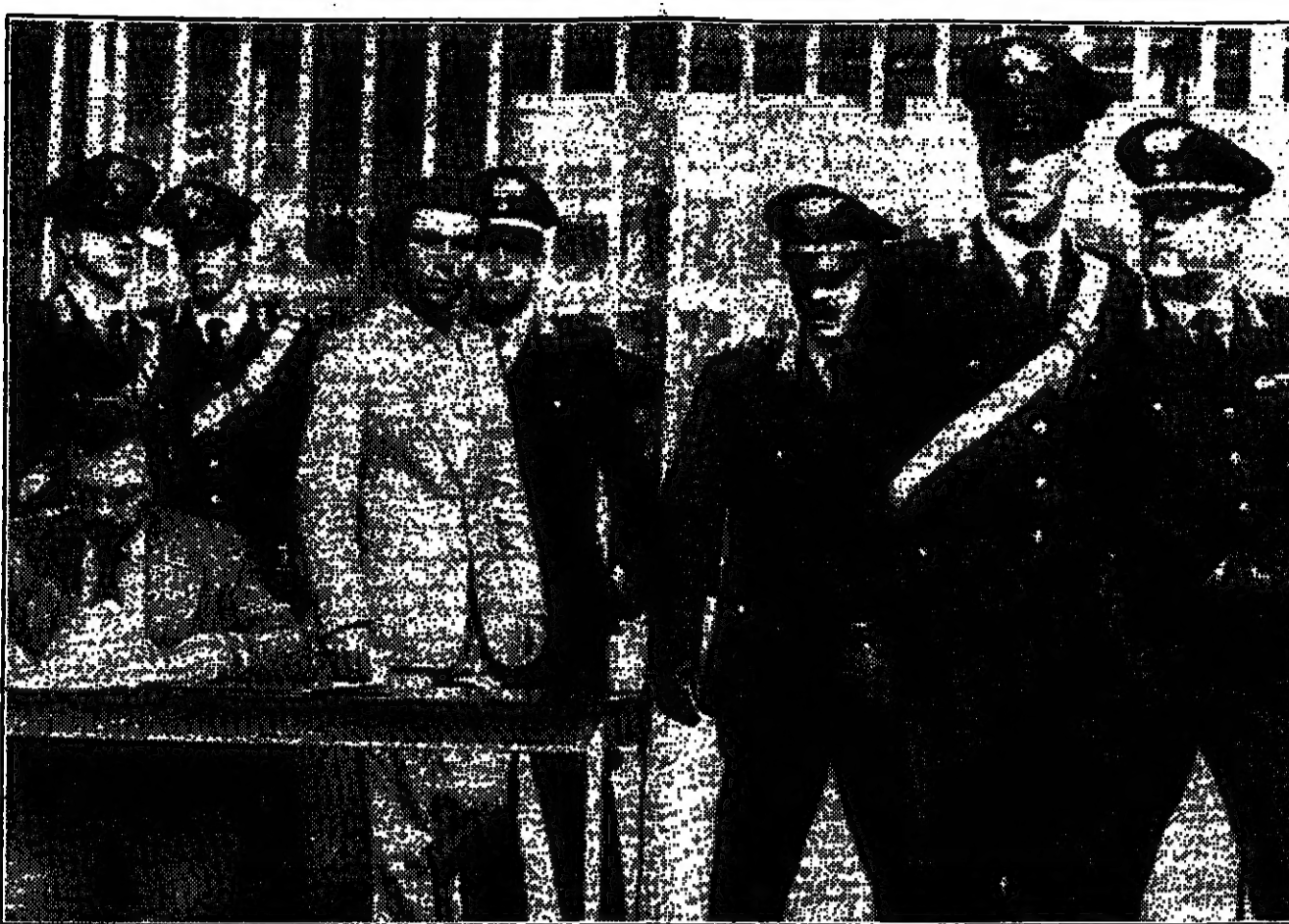
The thrust of the Lugar-Mathias-Dole bill is to increase U.S. assistance to blacks, including a jump from \$4 million to \$15 million for scholarships to local schools and universities.

As approved, the bill declares that it is U.S. policy to impose additional economic and political sanctions against the South African government but postpones any decision for 18 months and allows the president to avoid action if he determines "significant progress" has been made by South Africa.

■ **Pretoria Hints at Reprisals**

South Africa, uneasy about moves in the U.S. Congress to impose economic sanctions, hinted Wednesday that it might take action that would be harmful to its black neighbors, according to a Reuters dispatch from Johannesburg.

The government said it would have to reconsider the position of a million illegal migrant workers if jobs of its own blacks were threatened by U.S. action.



Police officers escorting Mehmet Ali Agca into a Rome courtroom to testify Wednesday.

## Agca Traces Trail of Papal Shooting Gun

By John Tagliabue  
New York Times Service

ROME — The man who wounded Pope John Paul II in St. Peter's square four years ago described to a court Wednesday how he and his friends were offered 3 million Deutsche marks (\$1.2 million at the time) by the Bulgarian state security service to murder the Polish-born pope and thereby crack resistance to the Communist Party in Poland.

Mr. Agca, testifying before a Rome court investigating the alleged conspiracy to murder the pope, said that one of the Austrian arms dealers who supplied the gun, Horst Grillmayer, "made frequent trips to the Soviet Union, Bulgaria and Belgium."

It was the first time that Mehmet Ali Agca, the convicted assailant of the pope, has described publicly elements of the alleged conspiracy.

But in more than an hour of testimony before two judges and 16 jurors, he made no further mention of Soviet-bloc countries.

In closed testimony to Italian prosecutors, Mr. Agca has said that he and his friends were offered 3 million Deutsche marks (\$1.2 million at the time) by the Bulgarian state security service to murder the Polish-born pope and thereby crack resistance to the Communist Party in Poland.

Mr. Agca did not repeat on Wednesday claims that he made in testimony last week that he was Jesus Christ.

Speaking in careful Italian, Mr. Agca described how he and a Turkish friend, Oral Celik, paid Mr. Grillmayer and another dealer, Otto Tintner, 60,000 Austrian shillings (\$2,800) for four Browning semiautomatic pistols, magazines that hold 14 cartridges and about 10 packages of bullets.

Police have traced the 9mm pistols to a cache of 21 Brownings from Belgium's Fabrique Nationale Herstal that passed illegally via Zurich into Austria, where they were sold to Mr. Agca and his associates.

Mr. Agca, who is accused in the trial here with four other Turks and three Bulgarians in the plot to kill the pope, said that Mr. Celik, whom he repeatedly described as "my friend," supplied the money and knew of the arms dealers.

Asked by Judge Severino Santapichi where Mr. Celik obtained the money and the dealers' names, Mr. Agca did not answer.

In closed testimony in May 1982, Mr. Agca said that the money and names came from Bekir Celik, a Turkish businessman in Bulgaria, who he said channeled the funds and information from the Bulgarian secret service.

Mr. Agca said that several Turkish friends in Vienna, including Mr. Celik, Abdullah Cakil and Mehmet Sener, kept the pistols after the purchase.

Mr. Celik, who is being sought by Italian authorities in connection with the shooting, was arrested by French police in October on charges of heroin smuggling. Mr. Sener has been sentenced by a court in Switzerland to five years in prison.

(Continued on Page 2, Col. 6)

## U.S. Is Selling Algeria Grain Under Subsidy

By Robert Pear  
New York Times Service

WASHINGTON — The Reagan administration, responding to what it calls unfair trade practices by the European Community, has announced the first sale of commodities to a foreign country under its new export subsidy program.

The transaction involves up to a million metric tons of wheat for Algeria, including an unspecified quantity of surplus wheat to be released from U.S. government stocks and given to American exporters at no cost. Officials said Tuesday that the bonus would make it possible for the exporters to meet subsidized European export prices.

Agriculture Secretary John R. Block announced the sale just a few hours before leaving on a trip to Western Europe, where U.S. allies have criticized the export subsidy program and warned of a trade war.

"It is not our intention to take on the rest of the world in international trade," Mr. Block said at a news conference here. "But the world must realize that the American farmer has lost 25 percent of our export markets in the last five years. That is economically nothing short of intolerable. Politically, it is intolerable."

Mr. Block said the sale to Algeria would meet the two objectives listed by the administration when it announced the "export enhancement program" on May 15. "The first criterion," he said, "is to sell more product abroad, while the second criterion is to target markets where we believe that unfair trading practices have victimized the American farmer."

The U.S. share of the Algerian wheat market has fallen from 41 percent in 1979-80 to about 16 percent in 1984-85, Mr. Block said. "During the same period," he said, "the European Community, with its program of export subsidies, has increased its market share from 29 percent to an estimated 59 percent."

Most of the gain, he said, was made by France, which has close ties with Algeria, one of its former colonies.

On his trip to Europe, Mr. Block plans to meet Sunday with Henri Nallet, France's new minister of agriculture. Mr. Nallet said last week that the U.S. export program "smacks of a trade war" and could lead to "a spread of protectionist measures."

Under the program, the United States will give exporters \$2 billion of government-owned surplus commodities to stimulate foreign buying of U.S. farm products in the next three years.

Mr. Block said, "This particular sale of one million metric tons represents a third of Algeria's estimated wheat import needs." A metric ton contains about 2,206 pounds.

Agriculture Department officials estimated that the Algerian government would pay \$117 million for the wheat. The Algerians already were buying 450,000 metric tons of wheat from the United States at a cost of \$35 million to \$60 million this year. But the transactions involve different types of wheat.

■ **EC 'Will Defend Place'**

Axel Kruse of the International Herald Tribune reported from Maastricht, The Netherlands: "The EC 'will defend its place' in international markets against the U.S. subsidy program and is studying several options for action, an EC Commission source said Wednesday."

Other officials said the options include new subsidies to encourage the sale of farm products and legal

(Continued on Page 2, Col. 6)

## Arms Ban On Jordan Is Opposed

By Bernard Gwertzman  
New York Times Service

WASHINGTON — The Reagan administration has been criticized as a "serious mistake" in a proposed Senate resolution opposing the sale of advanced arms to Jordan unless the Amman government opens negotiations with Israel.

The administration said the resolution, offered Tuesday by 69 senators, could jeopardize prospects for peace in the Middle East.

Separate statements by the White House and the State Department indicated that the administration was committed to a projected arms sale to Jordan.

The administration has not said what arms it plans to provide or when it will formally notify Congress. But congressional sources said that Jordan was seeking the F-20 fighter, improved versions of the mobile Hawk anti-aircraft missile and Stinger hand-held missiles, among other items.

Jordan maintains that it needs the advanced equipment to offset a threat from Syria, which has been heavily equipped by the Soviet Union.

Secretary of State George P. Shultz, who urged senators Monday not to go ahead with the resolution, has called statements by King Hussein while he was in Washington last week a significant contribution to the peace efforts.

Mr. Shultz, flying to a NATO meeting in Lisbon on Tuesday, told reporters aboard his plane that the resolution was "not a service to the peace process."

"King Hussein has taken some important initiatives that are positive, that move in the direction of peace, that move in the direction of direct negotiations, that employ the word nonbelligerency," he said.

"And to greet those moves by the Senate sticking its finger in his eye doesn't seem to me to be a particularly good thing for the United States to do."

The administration contends that Hussein favors negotiations with Israel and is moving step by step toward achieving that goal by the end of the year. Thus, it believes

(Continued on Page 2, Col. 7)

## GM to Buy Hughes Aircraft From Institute for \$5 Billion

By Mark Potts  
Washington Post Service

WASHINGTON — General Motors Corp. said Wednesday that it had agreed to buy Hughes Aircraft Co. for cash and stock valued at more than \$5 billion. The sale will provide a windfall for the Howard Hughes Medical Institute, which owns all of Hughes Aircraft's stock.

The purchase will improve GM's already strong position in high technology and make the automaker a major defense contractor. Ever with the Hughes purchase, GM will be ranked the second largest U.S. corporation in terms of revenue, behind Exxon Corp., the oil company.

The acquisition will be the largest outside of the oil industry and exceed the recent \$5-billion marriage between Allied Corp. and Signal Cos., which decided to merge after having considered a joint bid for Hughes Aircraft. The biggest merger was Chevron Corp.'s \$13.2-billion takeover of Gulf Corp., the oil company, last year.

The transaction will turn the Howard Hughes Medical Institute, based in Bethesda, Maryland, into the largest U.S. nonprofit organization.

"It's simply a boon to anybody who gives a damn about medical research," said Irving S. Shapiro, former chairman of Du Pont Co. and chairman of the institute's board of trustees.

Donald S. Frederickson, president of the institute, said he expected the sale of the company to more than double the research funds available to the institute, to \$200 million annually during the next year or so. "We will develop plans for use of the money and we will keep you informed," he said.

The institute does research in endocrinology, immunology and genetics.

Howard Hughes, the billionaire aviation pioneer and businessman, set up the medical institute in 1953 to shelter income from Hughes Aircraft, which in spite of its name has never produced an airplane, but rather makes missiles, communications satellites and sophisticated electronics equipment, primarily for the Defense Department.

The company is the institute's sole source of income, and the relationship has been hounded for years by legal disputes and by challenges from tax authorities. The tax

General Motors Corp.	
<b>Main Businesses:</b>	Vehicles, auto parts, computers
<b>Sales (1984):</b>	\$83.9 billion
<b>Profit (1984):</b>	\$4.5 billion
<b>Number of Employees:</b>	748,000
<b>Number of Stockholders:</b>	998,000
<b>Headquarters:</b>	Detroit, Michigan

Hughes Aircraft Co.	
<b>Main Businesses:</b>	Missiles, satellites, electronics
<b>Sales (1984):</b>	\$4.9 billion
<b>Profit (1984, estimated):</b>	\$200 million-\$250 million
<b>Number of Employees:</b>	73,000
<b>Owner:</b>	Howard Hughes Medical Institute
<b>Headquarters:</b>	El Segundo, California

ism, the institute's trustees decided earlier this year to sell the company and invest the proceeds elsewhere. The institute's decision to offer the company through a sealed-bid auction drew interest from some of the biggest U.S. industrial corporations.

General Motors' bid, under which the institute will receive \$2.7 billion in cash and the rest of the purchase price in the form of 50 million shares of a new class of GM stock, was chosen by the institute's trustees over offers submitted by Ford Motor Co. and Boeing Co., the big aerospace concern. The trustees were assisted by Morgan Stanley & Co., the investment bankers, in analyzing the complex bids.

Mr. Shapiro said GM's offer was clearly the best. "They simply preempted the process with their bid," he said. "There just wasn't any ambiguity at all. It was so clear that everybody saw it the same way."

GM's chairman, Roger B. Smith, said that the acquisition of Hughes would allow the company to build better automobiles as well as to compete in new fields by giving GM a strong base of knowledge in sophisticated electronics.

"I'm a firm believer that the major gains in the automotive industry are going to come in electronics," he said.

(Continued on Page 2, Col. 4)

## Rift Reported In Pentagon On SALT Pact

By Bill Keller  
New York Times Service

WASHINGTON — Senior U.S. military leaders, in a split with Defense Secretary Caspar W. Weinberger, have concluded that the United States would probably lose more than it would gain by abandoning the 1979 SALT-2 arms limitation treaty with the Soviet Union, according to Pentagon officials.

The military leaders, including at least three of the five members of the Joint Chiefs of Staff, have determined that the Soviet Union would be able to outbuild the United States in an unrestrained nuclear arms race, while the U.S. military would be held back by budgetary and political restraints, the officials said.

One official said the military sentiment was also colored by a worry that an all-out competition in nuclear weaponry would drain money away from tanks for the army and ships for the navy as well as other nonnuclear weapons.

The White House has said that President Ronald Reagan will announce on Monday his decision whether to abide by the 1979 treaty, which expires at the end of this year. Although the pact was not ratified, each side has said in the past that it will informally observe its provisions if the other does.

Mr. Weinberger and his senior civilian arms control adviser, Richard N. Perle, assistant secretary of defense for international security policy, have urged the president to abandon the treaty because of what they contend have been Soviet violations, the Pentagon sources said.

Mr. Perle has said that scrapping the treaty would not pose any immediate threat to the United States, but would signal to the Soviet Union that it must abide by the terms of any future treaties.

The 1979 treaty was the second major strategic arms control agreement reached by the United States and the Soviet Union in the 1970s. The first, a 1972 accord limiting anti-ballistic missile systems, was ratified by the two sides and continues in force.

Among the weapon ceilings set by the 1979 treaty, the one of immediate interest is a limit of 1,200 on the number of missiles with multiple warheads that can be deployed by each side. The United States will exceed the limit this fall when a Trident submarine, the Alaska, puts to sea with 24 multiple-warhead missiles. This will put the Americans 14 missiles over.

Administration officials have said that Secretary of State George P. Shultz proposed Monday in a meeting of the National Security

(Continued on Page 2, Col. 7)

## U.S. Officials Increasingly Discuss Sending Troops to Nicaragua

By Joel Brinkley  
and Bill Keller  
New York Times Service

WASHINGTON — Reagan administration officials have begun openly discussing a subject they had previously refused even to speculate about: the possibility that American combat forces might one day be sent into Nicaragua.

No one in government is saying that an invasion is an imminent or desirable step. But in the last few weeks, President Ronald Reagan, Secretary of State George P. Shultz and other senior officials have for the first time begun warning that if other policies fail, the United States may be left with little choice in the years ahead.

Interviews with almost 50 military, diplomatic and foreign government experts in Washington, Panama, Costa Rica, Nicaragua and Honduras indicate that discussion of the issue has become commonplace in official circles.

The interviews and other inquiries also brought to light these points:

• Although no one in Congress has publicly called for U.S. military involvement in Nicaragua, the mood on Capitol Hill in the last few weeks appears to have shifted sharply against the Sandinist government. Many members say there is growing doubt that any of the policy options still available, including renewed aid to the insurgents, is likely to bring fundamental changes in Managua's behavior.

• Administration officials have agreed that a number of possible situations would leave the United States little choice but to use military force. They include Nicaraguan acquisition of high-performance fighter planes and the granting to the Soviet Union of the right to establish a military base or bases in the country.

• Both critics and sympathizers of the Sandinists say they would not be surprised if Nicaragua committed an act that provoked U.S. intervention.

• In Central America, U.S. officials and others assert that Nicaragua's neighbors are growing more concerned by the day about the Sandinist policies. In Nicaragua, an American official said, business groups and others are asking, "When are you coming?"

In public and in private, the Joint Chiefs of Staff, Defense Secretary Caspar W. Weinberger, the White House national security adviser, Robert C. McFarlane, Mr. Shultz and President Reagan, all have said they hope the United States is never called upon to send American forces to Nicaragua. Still, every official interviewed said that events beyond U.S. control could change that almost overnight.

Without support from Congress, administration officials agree, military involvement in Nicaragua is unlikely. Today, Congress remains implacably opposed.

Many members reacted with alarm last month when Mr. Reagan, in a classified report to Congress, said the use of U.S.

military force in Nicaragua "must realistically be recognized as an eventual option in the region, if other policy alternatives fail."

In a speech to the American Bar Association on May 23, Mr. Shultz warned members of Congress that if they did not ap-

"What are you going to do ... when Nicaragua is fully armed? Are you going to provoke another Cuban missile crisis?"

— Fred C. Ikle, undersecretary of defense for policy



prove renewed aid for the American-backed Nicaraguan rebels, "they are hastening the day when the threat will grow, and we will be faced with an agonizing choice about the use of American combat troops."

And in an interview May 22, Fred C.

like, undersecretary of defense for policy, warned that if Congress persisted in what he called "a policy of pipernoops," it raised the risk of "some variant of the Cuban missile crisis."

"What are you going to do two or three years from now, when Nicaragua is fully armed?" he asked. "Are you going to provoke another Cuban missile crisis? Are you going to send in the Marines?"

At the same time, the Nicaraguan government's reputation on Capitol Hill has clearly soured in the last few weeks.

**INSIDE**

- Mikhail S. Gorbachev may be gambling his tenure on Soviet economic reforms. Page 2.
- Admiral Hyman Rickover received silver trays and fresh fish, among other things, from a military contractor. Page 3.
- Alexander I. Solzhenitsyn and his wife applied for U.S. citizenship. Page 5.

**SCIENCE**

- Fungi in the roots of most plants could be harnessed for forestry and agriculture, biotechnologists said. Page 6.

**SPORTS**

- Menique Berlioux announced her resignation as director of the International Olympic Committee. Page 13.

**BUSINESS/FINANCE**

- Britain reduced the price of its key blend of North Sea oil by \$1.25 per barrel. Page 7.

**TOMORROW**

- Neil Simon, one of the most successful U.S. playwrights, and David Rabe, one of the most provocative, discuss the theater.



## Gorbachev's Gamble: A Reformed Economy

*His Oratorical, Political Skills Mask The Absence of a Detailed Program*

By Dusko Doder  
Washington Post Service

MOSCOW — In the 12 weeks since he became Soviet leader, Mikhail S. Gorbachev has been projecting an almost breathtaking determination to make changes in the Soviet economy. In fact, he has focused on this issue in a way that

### NEWS ANALYSIS

suggests that his political fate is interlocked with the fate of his reform program.

Mr. Gorbachev's performance so far has been extraordinarily smooth. The ease with which he consolidated his authority and the speed with which he assembled a new Kremlin management team have raised expectations that he may succeed where others have failed.

Foreign observers see this as a possible trap. Expectations are running high while the leadership has

yet to come up with a well-developed and thought-out package of economic reforms.

But the new team has more time to work out its program before the next Communist Party congress in February.

The ground for this smooth transition was prepared by Mr. Gorbachev's political mentor, the late Yuri V. Andropov, who not only selected the men who run the Soviet Union today but also laid down a strategic course for the rest of this century.

But this is only a part of the current picture. In a relatively short time, Mr. Gorbachev, 54, has managed to establish himself as a man of formidable political skills, an excellent public speaker and a leader of great determination.

That he has pushed Mr. Andropov's program with more vigor and persistence than did his immediate predecessor, Konstantin U. Chernenko, has been the source of considerable satisfaction for those ele-



Mikhail S. Gorbachev talks with automobile workers during a tour of a Moscow factory.

ments in Soviet society that are advocating major changes in the system.

The big question here is whether Mr. Gorbachev will be able to mobilize the country to overcome resistance to change on the part of the entrenched party and state bureaucracies.

But it is impossible to answer this question until the new Kremlin leadership completes the rejuvenation of regional and local party organizations.

Meanwhile, for the first time since Khrushchev, the Soviet people have a leader who talks directly to them, who goes into the streets and factories, shops and homes, calling on them to join him to "get the country moving forward again."

Mr. Gorbachev is the first Soviet leader who is a genuine television personality and who adroitly uses the medium to his advantage.

He is the first to push his wife, Raisa, into the limelight as a trusted aide helping him mobilize Soviet women, who make up more than 50 percent of the population.

With the exception of old Bolsheviks during Lenin's time, Mr. Gorbachev is the first Soviet leader who can deliver an eloquent and stirring one and one-half hour speech without a text.

One night recently, the country watched him on television as he addressed the Communist Party organization of Leningrad. Several days later people were still discussing the speech as if it were a spectacular artistic show.

All this could reflect a mere change in style, rhetoric and personalities, with the problems of a centralized economy run by a huge, immobile and hierarchical bureaucracy remaining as intractable as ever.

The Soviet economy is, in effect, the entire society. Virtually all Soviet citizens work for the state. For more than 65 years this economy has been run from the center by people who held utopian assumptions and tended to disregard the laws of marketplace economics.

What Mr. Gorbachev and colleagues plan to do is restructure the economy, especially the machine-tool industries; modernize industrial output; introduce economic incentives to increase labor productivity and set an overall steady rhythm for the economy.

But, as he said on television, not only the economy has to be restructured. "We are facing a major restructuring of our attitude, too," he said.

Speaking about Communist Party officials, he warned that "every-

body must change, from the worker to the minister to the secretary of the Central Committee," to increase labor productivity.

"Those who do not intend to will have to be moved from the road," he added.

What the planned restructuring is going to involve has not been spelled out. So far, the specific measures included some tough anti-alcoholism decrees, particularly to combat the current widespread drunkenness at work, and a decision to distribute private plots of land to at least one million people each year.

Mr. Gorbachev enjoys certain advantages that suggest he may be in a position to make a major impact on the country. First, he is relatively young. Second, he is the most visible of a whole group of relatively young men who have been rocketed to power and now form the Kremlin's management team.

Third, Mr. Gorbachev has an opportunity to change the entire top echelon of the party at the congress in February.

The congress will elect a new Central Committee, the party's top policy-making body, and there is little doubt that its new members are going to reflect the views of the new leader.

## EC Sets Out Research in Data, Video Technology

Reuters

LUXEMBOURG — The European Community has opened the way for the early launching of an ambitious research drive in advanced telecommunications that could also be part of France's Eureka project to stimulate European high technology, according to diplomats.

The EC program, which is called Research for Advanced Communications in Europe, is aimed at overtaking Japan and the United States in data and video communication networks and satellite broadcasting.

EC research ministers agreed Tuesday to inaugurate a first phase in the research after minor differences have been ironed out in the next two weeks. The project aims to identify needs and help in meeting the competition for a \$10-billion telecommunications market in Europe in the next decade.

The Eureka project of President François Mitterrand, which calls for a pooling of European research on high technology in response to U.S. and Japanese challenges, also received broad support at the meeting that ended Tuesday, the diplomats said.

Ministers had feared a deadlock over the communications research could hamper discussion on the Eureka project by leaders of the 10-nation community at their conference in Milan June 29 and 30.

The Dutch economics minister, Ojji van Aardenne, said after the Luxembourg meeting that he expected community leaders would endorse the Eureka plan at the conference.

## Pope's Assailant Describes How He Bought Gun

(Continued from Page 1)

prison for involvement in the same heroin deal.

Both men were detained by police in West Germany in the past in connection with the assassination conspiracy and smuggling charges but were later released. The court here is seeking to question them.

Asked by Judge Santapichi why the men purchased the pistols, Mr. Agca replied: "We wanted to resume our terrorist activities."

"He was thinking of doing some job," he said, referring to Mr. Celik. "He was a terrorist type."

Mr. Celik, who is at large, and Bekir Colesan, are being tried here in absentia. Mr. Agca has said that the men obtained the guns to carry out a series of terrorist actions for the Bulgarians aimed at destabilizing Western governments.

Tracing his career in the obscure channels of extremist Turkish politics, Mr. Agca denied having been an active terrorist, telling the court that his fame as a terrorist was rooted largely in a confession he made in 1979 to having murdered Abdi Ipekci, the editor of a liberal Turkish newspaper, Milliyet.

Describing himself as "more an ideologue than a militant terrorist," he repeated earlier contentions that he only helped organize Mr. Ipekci's killing. He said that he took the blame to protect friends who committed the murder.

Mr. Agca was sentenced to death in absentia by a Turkish court for Mr. Ipekci's death after he had escaped from a Turkish military prison.

## U.S. to Sell Algeria Grain

(Continued from Page 1)

action against the United States under the General Agreement on Tariffs and Trade, the Geneva-based trade monitoring agency.

The sources said that in an EC Commission meeting earlier Wednesday in Brussels, one commissioner suggested that the EC establish an emergency fund that could be used to retaliate against the U.S. subsidy program. They said the suggestion was opposed by Henning Christophersen, the EC budget commissioner.

Another official said, "We are concerned not only by the U.S. action but also by the price undercutting aspect, which risks destabilizing agricultural markets."

The officials were attending a conference sponsored jointly by the U.S. mission to the EC and the EC Commission delegation in Washington.

**RACHEL M. MASTER, DOCTORATE**  
SALUD A DEGREE. Use your past experience to earn a degree. We'll provide you with the best of both worlds. Study hard, work hard, and earn a degree. For more information, call 213-778-1294.

**UNIVERSITY DEGREE**  
BACHELOR'S • MASTER'S • DOCTORATE  
For Work, Academic, Life Experiences.  
Send detailed resume for free evaluation.

**PACIFIC WESTERN UNIVERSITY**  
400 N. Sepulveda Blvd.  
Los Angeles, California  
90049, Dept. 22, U.S.A.

NEVER FORGET WITH BUSINESS PEOPLE APPROACH EACH OTHER AND FREELY IN THE END

## WORLD BRIEFS

### 80 Reported Killed in Sri Lanka Raids

NEW DELHI (AP) — Sinhalese mobs, assisted by security forces, have attacked more than a dozen Tamil villages in eastern Sri Lanka, killing at least 80 people and burning more than 600 homes, United News of India reported Wednesday.

The raids took place Tuesday near the port city of Trincomalee in the Eastern province, the news agency reported from Colombo. Eleven Tamil villages were completely burned, while three others were partially destroyed, UNL quoted reports reaching the capital as saying. More than 6,000 people left homeless were sheltered in schools, temple and churches, the news agency said.

The report quoted Tamil sources in Trincomalee as saying the attacks were carried out by armed Sinhalese mobs backed by government security forces. Many of the assailants carried government-issued guns, the sources were quoted as saying. The government had issued firearms to Sinhalese civilians following attacks in the area by Tamil separatist guerrillas.

### Iraq Raids Tehran, Vows New Attacks

BEIRUT (UPI) — Iran said Wednesday that Iraqi planes had attacked Tehran and two other cities. Baghdad threatened to escalate its raids.

Iran's official Islamic Republic News Agency said two persons had been killed and five wounded in a raid on the capital that "caused some damage in civilian areas." The other cities hit were Baharan and Hamadan, the agency said. It said Iranian artillery had struck back by shelling economic, industrial and military installations in the southern Iraqi city of Basra and seven other towns.

An Iraqi spokesman said that "our retaliation for the Iranian rulers' aggression will be escalated at any time and in all directions." Baghdad has declared that it is determined to keep attacking areas far from the border until Tehran agrees to peace talks.

### Craxi Would Resign if He Loses Vote

ROME (Reuters) — Prime Minister Bettino Craxi said Wednesday that he would resign next week if Italians approved a referendum sponsored by the opposition Communists which seeks to reverse a curb on wages imposed last year.

Approval by the voters on Sunday and Monday would cause "a social conflict of vast proportions" and seriously damage the economy, Mr. Craxi said at a news conference.

The Socialist prime minister was asked whether he would resign if the electorate voted to restore the restrictions voted by parliament last summer on the sliding scale wage indexation system. He replied, "Yes, one minute later."

### IRS Head Endorses Reagan's Tax Plan

WASHINGTON (AP) — The head of the Internal Revenue Service on Wednesday endorsed President Ronald Reagan's tax plan, declaring that the current system's unfairness encourages even modest wage earners to shelter income.

"The current tax system is a patchwork tax code built around tax breaks for special purposes and special interests," IRS Commissioner Roscoe L. Egger Jr. told the House Ways and Means Committee. He said taxpayers "who do not live expense-account lives" subsidize executives who mix business and entertainment expenses.

Mr. Egger said the current code was so mystifying that Americans believe "huge loopholes exist for those who can afford the legal and accounting assistance necessary to find them," and predicted that the revision would see taxpayers "anger and frustration." He noted that 789 threats and assaults were made against IRS workers in fiscal 1984, which ended last Sept. 30, and that one employee was shot and killed while trying to enforce the law.

### For the Record

Nine more New York City hotels were struck Tuesday, increasing the total to 53 in the fourth day of the walkout by bellhops, clerks, housekeepers, bartenders and other workers.

Peter Shapiro, 33, the chief executive of Essex County, New Jersey, won the race Tuesday for the Democratic nomination to oppose Governor Thomas H. Kean's bid for re-election in November. (NYT)

The death toll in the soccer stadium fire in Bradford, England, last month rose to 54 Tuesday when a 57-year-old woman died of her injuries, hospital officials said. (Reuters)

U.S. and Soviet arms control negotiators discussed intercontinental nuclear missiles Wednesday, a U.S. delegation spokesman in Geneva said. (Reuters)

The European Commission signed a \$7.5-million deal with Sudan on Wednesday to restore a key railroad line to carry food aid from Port Sudan in the east to the worst-hit famine areas in the west. (Reuters)

## White House Deplores Idea Of Weapons Ban on Jordan

(Continued from Page 1)

that a Senate resolution prohibiting arms sales could undermine the Jordanian leader's standing and set back the possibility of negotiations.

"Such legislation is, in my view, a serious mistake," said Edward P. Djerejian, a State Department spokesman. "It is damaging to the gathering momentum in a process to enact pre-emptive legislative hurdles."

"In this complex issue," he said, "progress entails risks, and when our friends are prepared to take those risks, they should be able to count on us."

Larry Speakes, the White House spokesman, said that Hussein had "made it clear during his visit that he is committed to move this year, as he put it, 'negotiations amongst the parties to the conflict between the Arab side, a Jordanian-Palestinian delegation, with Israel on the other side.'"

"We intend to support that effort, and the president told King Hussein that he, the king, would be able to count on the United States for assistance in addressing problems which Jordan may face in those areas," Mr. Speakes added.

The nonbinding resolution was introduced by Senators John Heinz, a Pennsylvania Republican, and Edward M. Kennedy, a Democrat from Massachusetts.

Mr. Kennedy said that "the introduction of our resolution at this

time, sponsored by more than two-thirds of the members of the Senate, is a clear signal to the administration of our desire to give priority to the Camp David process, and to oppose destabilizing arms sales in that volatile region of the world."

He said the United States should not be providing "more sophisticated arms for Jordan, but more sophisticated diplomacy in bringing Jordan into the Camp David peace process."

Because of the administration's opposition, the resolution was clearly causing problems for some Senate Republicans. The majority leader, Robert J. Dole of Kansas, said after a White House leadership meeting:

"It seems to me we should not be pressing that resolution at this time. Senator Heinz indicated in the meeting that they were going to introduce it but not press it."

Senator Richard G. Lugar, an Indiana Republican who is chairman of the Foreign Relations Committee, said after a luncheon of Republican senators not to support it. There are 26 Republican and 43 Democratic co-sponsors. Mr. Lugar asserted that some co-sponsors were now "deeply concerned" about how it might complicate the Mideast situation and that "they have some second thoughts" about moving ahead now.

## Pentagon Rift Is Reported

(Continued from Page 1)

Council that the president either postpone a decision or announce that the United States will put a 16-missile Poseidon submarine into dry dock, out of service.

That would fall short of the technical requirements of the treaty, which says that old missiles must be destroyed.

According to Pentagon sources, Mr. Weinberger wants to show the Russians that they cannot get away with what the United States views as treaty violations. They are said to include the encoding of missile test data, which are supposed to be decipherable by the other side for verification, and the development of at least two new types of land-based missiles when the treaty permits only one.

Pentagon sources said that General John W. Vessey Jr., chairman of the Joint Chiefs of Staff, did not directly contradict Mr. Weinberger or offer a clear recommendation

during the meeting of the National Security Council. But the sources said his refusal to endorse Mr. Weinberger's view reflected the prevailing military opinion that lifting arms control would complicate military planning.

The sources said that the army chief of staff, General John A. Wickham Jr., and the air force chief of staff, General Charles A. Gabriel, also favored honoring the pact.

The views of the chief of naval operations, Admiral James D. Watkins, and the marine commandant, General Paul X. Kelly, could not be immediately determined.

■ **Reagan Is Undecided**  
President Reagan still has not decided whether the United States will continue to abide by the SALT-2 treaty, the White House said Wednesday.

Mr. Shultz was sounding out U.S. allies Wednesday at a NATO meeting in Portugal on the issue.

## INTERNATIONAL POSITIONS

### Significant Opportunities within FX Markets

#### Expanding operations - City

Merrill Lynch International Bank is expanding its Foreign Exchange Brokerage Unit in London. The unit provides a much respected service to major institutions throughout Europe, including 24-hour trading in world markets, investment advice and long-term assessments.

As part of this expansion, there are now vacancies for creatively oriented professionals who see their future in a fast-moving, pro-active role backed by on-going research, market analysis and financial expertise. We would like to hear from you if:

- experienced Dealers/Brokers with a considerable background in international currency operations;
- ambitious professionals with some 2-4 years trading experience within financial futures or foreign exchange;
- and also from suitably qualified young graduates who wish to learn, and make their mark in the business.

Multi-lingual skills would be an advantage at all levels of appointment. Highly competitive incentive orientated compensation is offered, reflecting performance in a highly successful operation.

Please write, enclosing career details to: Keith Robinson, Recruitment Manager, Merrill Lynch Europe Ltd, 27 Finsbury Square, London EC2A 1AQ.

**Merrill Lynch**

For our Frankfurt office we are seeking

## U.S. Tax Return Assistant

The position involves the preparation of individual, partnership and corporate tax returns.

The type of work requires an accounting background, fluent English and basic German.

Experience in the preparation of U.S. tax returns is preferred but not required.

Please mail your resume and salary requirements to Dr. Michael Altheim, tel.: (0) 69-2164219.

**PEAT MARWICK**

Peat, Marwick, Mitchell & Co.  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft  
Große Gallusstraße 10-14  
6000 Frankfurt/Main 1, West Germany.

## EXECUTIVES AVAILABLE

### SPECIAL ASSIGNMENTS IN ISLAMIC WORLD, EUROPE, U.S.A.

American honor graduate of Yale, multilingual has 30 years experience in Middle East, North Africa, Europe, Pakistan-India as: Marketing Director 5 multinationals, Manager Director 3 firms, owner hotel chain, consult-rep 25 clients in all sectors, ranking DOD civilian Europe with highest decorations.

Strong experience: financing, negotiating, project development. Operative top contacts: banks, businesses, Arab royal families. Paris-based. Available for assignment: time, location, fees negotiable. Guaranteed confidentiality.

Top references. Tel.: Paris 504 54 02 or Box D-108, IHT, 92521 Neuilly Cedex, France.

### INTERNATIONAL MARKETING

Expatriate SENIOR EXECUTIVE with more than 20 years of experience in international marketing of commodities including shipping, finance and administrative matters, is now available to join a dynamic growth oriented company.

Currently residing in S.E. Asia but willing to relocate.

Please reply to advertiser, Box Beach road P.O. Box 212, Singapore 9118, C/O Sinamex Trading Pte Ltd.

## General Motors to Buy Hughes

(Continued from Page 1)

he said in New York. "The whole string in the corral that Hughes has is exactly what GM needs to move in the direction we want to in the future."

Since becoming chairman of GM four years ago, Mr. Smith has been transforming the company, steering it into new fields to reduce its dependence on the automobile industry and trying to apply technology to all aspects of the company's traditional business as the world's largest automaker.

Just last year, General Motors surprised the corporate world with a \$2.5-billion acquisition of Electronic Data Systems, a maker of sophisticated computer systems

and software, that put the automaker into the forefront of high technology. Mr. Smith has made no secret of his desire to add a large defense contractor to the company.

Allen E. Puckett, chairman of Hughes Aircraft, based in El Segundo, California, said, "We see this as a great new opportunity... We will continue our traditional activity in the aerospace industry, but we see new opportunities to move into a new direction in the application of new technologies in the automotive world."

Hughes is the seventh-largest U.S. defense contractor, building \$3.2 billion worth of missiles, radar systems and sophisticated electronics for the Pentagon in 1984.

## INTERNATIONAL POSITIONS

For our head office in Amsterdam we are looking for an

## International Controller

This position will report directly to the Corporate V.P. Finance and will oversee all aspects of the control function, business analysis, finance and treasury in all our 24 operations in 7 different countries. The individual who joins us will also be actively involved in our international acquisition program and planning activity.

As the person who joins us will spend the first year in Amsterdam and then be transferred in the same function to our Boston office, he/she needs to have U.S. nationality. Furthermore we are looking for someone with a multi-national production oriented company. The possession of a MBA or equivalent in Accounting or Finance is highly desirable, and a willingness to travel is a must.

Our compensation package, including fringe benefits, is competitive. There also are definite career growth opportunities.

If you are interested in a job with potential, please write in confidence stating your salary requirements to:

J.W. Lamain, Personnel Manager  
N.V. Indiviers, Building 72, P.O. Box 7759,  
1117 ZM Schiphol (Amsterdam),  
The Netherlands.

### INDIVERS

N.V. Indiviers with head office in Amsterdam and 24 companies in the U.S.A., Singapore, U.K., Italy, Switzerland, West Germany, and The Netherlands. Our companies are active in the field of gas turbine repair, OEM work for the aero-engine manufacturers, the aircraft-constructor and the tooling industry.



## Rickover's Gifts: Gravy in the Navy

### Report Details 'Trinkets' He Got From Sub Builder

By Michael Weisskopf  
Washington Post Service

WASHINGTON — When the General Dynamics Corp. staged sea trials for its nuclear submarines, it spared no consideration for Admiral Hyman G. Rickover, who was supervising the company's work for the U.S. Navy in the 1960s and 1970s.

Officials at the company's Electric Boat Division in Groton, Conn., had Admiral Rickover's civilian suit cleaned and pressed and set out khaki navy uniforms for him to wear during the outing. They provided newspapers, fresh fruit, lemon drops, best-selling books and 25 to 30 pounds of fresh fish.

The company's concern for the admiral's comforts and convenience was revealed Tuesday in a navy report.

Admiral Rickover was also given \$19,000 worth of gifts to commemorate boat launches and keel layings, according to the report. These included items such as sterling silver trays, which he often presented to participating dignitaries.

In addition he received personal gifts that included a set of the Encyclopaedia Britannica, at least 15 pairs of nauticus-shell bookends and \$1,125 worth of jewelry for his wife.

The navy's Ad Hoc Gratuities Board was expanded last November by Navy Secretary John F. Lehman Jr. to investigate allegations against Admiral Rickover, and it presented its report to Mr. Lehman two weeks ago.

The report prompted his decision to issue a letter of censure to Admiral Rickover, cancel two General Dynamics contracts and fine the company the legal maximum of \$676,283 — 10 times the amount of illegal gratuities estimated to have gone to the admiral.

Although Mr. Lehman had earlier listed several of the gifts Admiral Rickover received from the company — the secretary called them "little trinkets" — the report gives the first full account of "this long-standing pattern and practice of corporate largesse."

"We believe the conduct described exhibits a lack of appreciation for the proper standards



A Distinguished Service Medal presented to Admiral Hyman G. Rickover at a 1961 ceremony was admired by Navy Secretary William B. Franke. The ceremony, at the shipyard of the General Dynamics Corp. in Groton, Conn., also commemorated the sixth anniversary of the launching of the nuclear submarine Nautilus.

governing employees of the United States and those who deal with them," said the report. Admiral Rickover, 85, who retired from the navy in 1982 after a 60-year career, could not be reached. He has previously acknowledged receiving gifts from General Dynamics but has maintained that they did not influence his official judgment.

Included in the report are brief statements by General Dynamics officials, including Joseph D. Pierce, former general manager of Electric Boat, who denied any attempt to gain favorable treatment from Admiral Rickover.

Mr. Pierce acknowledged, however, that he had instructed a special assistant to "provide Admiral Rickover with whatever he needed."

"I had favors done for Admiral Rickover in order to improve

his working conditions, or because of my personal respect for him, or because of a desire to facilitate working relations with him so that both he and the company could work together more effectively and with less strain," Mr. Pierce said.

Some favors often resulted from requests by Admiral Rickover, according to the report. When the admiral asked for a shower curtain he had admired in a hotel, General Dynamics officials bought six to 12 of them for him.

The company's workshop was often pressed into service to accommodate Admiral Rickover. For example, it laminated \$50 bills to make them float, for a party for Admiral Rickover's wife. And it made 15 to 30 trays from the teak deck of the Nautilus, the first nuclear submarine.

## U.S. Bolsters Military Stance in Central America

By Bill Keller  
and Joel Brinkley  
New York Times Service

PANAMA CITY — In the last two years, the U.S. Southern Command, from its tropical hilltop headquarters here, has presided over the establishment of a sophisticated military apparatus in Central America.

While President Ronald Reagan and his top advisers say the use of U.S. military force in the region is an unlikely and undesirable last resort, the military is prepared for contingencies, according to military officers and diplomats in Washington and Central America. Authorities say this has been accomplished with a vigorous tempo of war games, construction of staging areas and listening posts, the creation of an elaborate intelligence network and a major effort to fortify allied armies.

The U.S. military presence, once devoted almost exclusively to defending the Panama Canal, has been expanded in the name of protecting stability throughout Latin America. More recently, the officials say, its focus has narrowed on Nicaragua, which the Reagan administration believes is the main threat to peace in Central America.

The military officers and diplomats said in interviews that the buildup of the Southern Command, one of six regional commands of the U.S. military worldwide, is now largely complete and that it is adequate to carry out any likely emergency in the region.

These officials also challenged what they called the apparently popular belief that if the United States were drawn into direct military involvement in Central America, it would inevitably lead to a quagmire like the Vietnam War.

According to U.S. military and intelligence assessments presented at the highest levels of the government, the United States could quickly and easily rout the Sandinistas who govern Nicaragua.

U.S. military officials say the activities at the Southern Command is prudent preparation if U.S. involvement becomes necessary.

"I can say with some confidence that the exercises have provided us with a significantly improved capability to operate in the region," said Colonel Charles Peary, who heads the command's task force in Honduras.

Some critics, on the other hand, have long seen the muscle-flexing

at the Southern Command in a more ominous light.

Eugene J. Carroll Jr., a retired admiral who is director of the Center for Defense Information, a group often critical of the Pentagon, wrote last year that "accelerating U.S. military preparations" in Central America "suggest that the decision has already been made by President Reagan to send U.S. troops into Nicaragua."

The decision to use military force would be made in Washington, but the preparation and execution are the responsibility of the Southern Command, known as Southcom.

It was in 1983 that the Southern Command's importance began growing in earnest. That year the administration, fighting one anti-government insurgency in El Salvador while underwriting another in Nicaragua, without fanfare rewrote the command's mission statement.

It was committed, among other responsibilities, to "counter Soviet and Cuban militarization and other destabilization undertakings."

When General Paul F. Gorman, the head of Southern Command, arrived in Panama in 1983, he promptly disbanded the army's mechanized infantry unit and sent it to Washington for experts in intelligence, communications, aviation, medicine and construction.

Within a year of General Gorman's arrival, Southern Command had begun to build or enlarge eight airfields in Honduras.

At Palmarola, in the central highlands west of Tegucigalpa, the largest airstrip was dedicated last February. It can handle any plane the U.S. military owns.

Much of the more recent activity at Southern Command is not visible at all, involving intelligence-gathering.

General Gorman, in Senate testimony in February, a few days before he retired, said that he had built "a very close working relationship with the entire intelligence community" and that he met regularly with CIA station chiefs in his region.

A congressional source said that within the last several months the National Security Agency had installed "the best technology we've got" at electronic eavesdropping posts on Tiger Island in the Gulf of Fonseca near Nicaragua and other locations.

In manpower, the Southern Command is the smallest of the six commands, with about 9,600 people stationed at various installations in Panama and an average of

1,200 troops in Honduras. However, though its permanent staff is small, it would draw troops, in event of conflict, from the U.S. Readiness Command, based at MacDill Air Force Base in Florida, and the U.S. Atlantic Command, in Norfolk, Virginia, which patrols the Caribbean and the Atlantic.

Since 1983, the Pentagon has added several major war games a year, testing in Honduras virtually every wartime contingency that might arise in the region.

The exercises, U.S. officials said, have worked extensively on two abilities that would be essential in a Central American conflict: moving men and equipment to the region in a hurry and working in tandem with the Honduran Army, which U.S. officials say would be a likely partner in any U.S. military enterprise.

In addition, Southern Command has helped run a gradually increasing program of military aid and advice for Nicaragua's neighbors, El Salvador, Honduras and Costa Rica.

Whether these preparations are enough to assure American success in any military operation that might arise is still a matter of lively debate.

In Nicaragua, where an American invasion is a topic of constant speculation, Commander Julio Ramos Arguello, the army chief of intelligence, said "this would be a kind of Vietnam War."

But in interviews, U.S. military officers and government officials familiar with the region contended that the Sandinistas lacked the military skills, the popular base and the supply lines to prolong a guerrilla war in any U.S. invasion.

Intelligence officers said that with minimal risk, U.S. pilots could destroy the small Nicaraguan Air Force, radar, artillery, tanks, supply depots and command centers.

According to a source who has discussed the subject with him, Colonel William C. Comee Jr., the director of operations at Southern Command, has estimated that it would take the United States two weeks to gain control of 60 percent of the Nicaraguan population.

Another U.S. political-military officer in the region said the most plausible scenario in the event of a full-scale conflict would be this: "The U.S. would come in heavily for a month or so, mostly with air strikes against major facilities. Then a new government would be put into place, and it would come with its own army."

It would be up to the new government, presumably organized from the existing democratic opposition, to pursue the Sandinistas, several military analysts said.

One U.S. military officer who has briefed members of the National Security Council asserted that the Nicaraguan people would rise up in support of an American invasion and that neighboring armies would eagerly assist.

Commander Ramos said in an interview that this was a dangerous assumption. The initial U.S. assault, he said, would kill thousands of Nicaraguans, uniting the citizenry in their outrage.

Another problem for the Sandinistas, according to several U.S. military analysts, is that Nicaragua has no counterpart to Vietnam's Ho

Chi Minh Trail, used to deliver Vietcong supplies from the North. In Nicaragua, land supply routes would be through mountainous jungle. U.S. forces would police air and sea routes.

Other officials, noting that the United States had been unable to cut off arms traffic between Nicaragua and El Salvador, were not as confident that blocking arms to Nicaragua would be easy.

### Mexican Leader Visits Spain

United Press International  
SEVILLE, Spain — President Miguel de la Madrid of Mexico arrived in Seville on Wednesday to begin a five-nation European tour designed to open new markets for Mexican goods.

## THE DON CARLOS

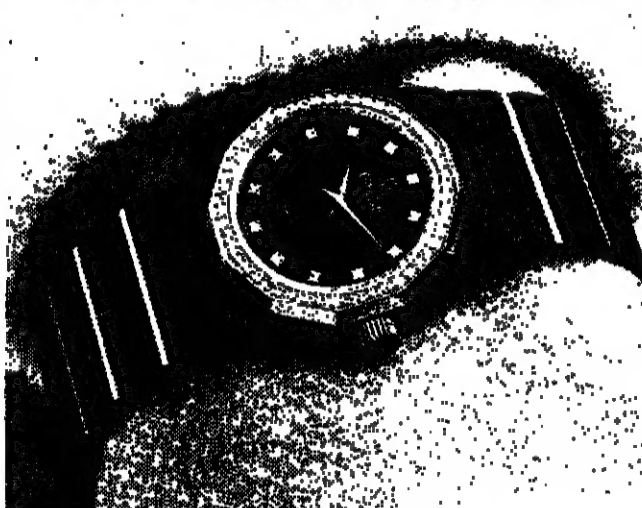
★★★★★

MARBELLA'S FINEST BEACH AND GARDENS

DON CARLOS RESORT HOTEL

The Golondrinas Estate • Marbella • Spain  
Telephone: 83 11 40/83 19 40 Telex: 77015/77481

## CONCORD MARINER SG



Concord Mariner. For her, 18 karat gold, black chromium stainless steel, diamonds. Quartz. Water-resistant. An art created to perfection in Swiss watches.

## FRED

Fred: 6, rue Royale — 75008 Paris  
Le Claridge, 74, Champs Elysées — 75008 Paris  
Hôtel Méridien, Bd Gouvion St-Cyr — 75017 Paris  
Hôtel Loews — Monte Carlo  
La Croisette — Cannes  
Aéroport d'Orly

## Pilots' Union, United Wage Video Battle

By Peter Perl  
Washington Post Service

WASHINGTON — United Airlines is sending videocassettes to its nearly 5,000 striking pilots in which company executives urge them to end their 20-day-old walkout or risk being permanently replaced.

The video parcels mailed to pilots' homes this week represent an escalation in the battle for the loyalty of the members of the Air Line Pilots Association. The union has been using videocassettes, a television production crew and satellite "teleconferences" to maintain solidarity within its ranks.

"This is a public relations war as much as anything else," said Chuck Novak, a United spokesman.

"We think their sending out the video shows that they are getting desperate," said David Jewell, a union spokesman. "They are having a hard time getting pilots to cross the line, and they are not having an easy time getting replacements."

The union said 5 percent of its pilots, whose average yearly salary is \$86,000, have crossed picket lines since the strike began May 17. The strike has resulted in the grounding of 85 percent of United's flights.

The use of television and video production is increasingly common among U.S. labor unions and companies seeking to communicate with the work force. But United's confrontation with the pilots union represents the most coordinated use to date of video technology during a labor dispute, said Larry Kirkman, executive director of the Labor Institute for Public Affairs, the AFL-CIO's \$5 million-a-year video operation.

Mr. Kirkman said the proliferation of video recorders and the ease of satellite hookups have created an "electronic union hall."

The Air Line Pilots Association, among the wealthiest of unions, has spent more than \$500,000 on three slickly produced satellite conferences designed to maintain support for the strike among union families. Each conference has been beamed to up to 15 cities.

Mr. Jewell said the union has aired a full-time film crew at its Chicago strike headquarters, where it produces weekly videocassettes that are mailed to more than 500 pilot "group leaders." Each group



The union released this photo that it says shows a United pilot, disguised as a World War I flyer, crossing the picket line at O'Hare Airport in Chicago.

leader invites about 10 pilots to his home for discussions. Mr. Jewell said the union videos include "news and propaganda" as well as financial advice, information on health insurance and footage of strike-related events.

United's video includes a May 28 news conference outlining the company's position on the strike, including executives' plans to hire 300 new pilots per month to rebuild the airline.

The union called the strike in response to United's attempt to inaugurate a two-tier wage system that would have paid new pilots lower wages than veterans. That conflict was resolved when both sides approved a lower pay scale for new pilots that will remain in place for five years. Arbitrators will decide after that whether the separate scale will be maintained.

But the talks broke down last week over back-to-work issues, including United's refusal to hire 566 newly trained pilots who declined to cross picket lines when the strike began. United is also seeking to reward the estimated 250 union members who crossed picket lines by giving them higher seniority than veteran pilots who went on strike.

The National Mediation Board said Tuesday that it had called both sides to resume negotiations here Thursday, and the union said it would participate. A United spokesman said the airline would announce its response Wednesday.

## Reagan Renews Drive for Nicaraguan Rebel Aid

By George Skelton  
and Karen Tumulty  
Los Angeles Times Service

WASHINGTON — President Ronald Reagan has renewed his campaign to restore U.S. nonmilitary aid to Nicaraguan rebels, hinting that he might compromise with Congress over his earlier insistence that the help be channeled through the Central Intelligence Agency.

Mr. Reagan told Republican congressional leaders at an hour-long White House meeting Tuesday that this could be "possibly our last opportunity" to pressure Nicaragua's leftist Sandinist government into changing its policies, Larry Speakes, the chief White House spokesman, said.

At the same time, Mr. Speakes accused the Nicaraguan government of "increased aggressive behavior" against Costa Rica and Honduras since the Democratic-controlled House killed a White House proposal to provide \$14 million in aid to the anti-Sandinist rebels during the current fiscal year.

President Reagan is now requesting funding not only for fiscal 1985 but also for fiscal 1986, which begins Oct. 1.

The House Republican leader, Robert H. Michel of Illinois, said after meeting with Mr. Reagan that a trip to Moscow by Nicaragua's president, Daniel Ortega Saavedra, shortly after the House rejected Mr. Reagan's funding request, "has changed a great many minds"

among Democrats who previously had opposed aid.

"They're in a very embarrassing position now and would like to come aboard," he said.

The first congressional vote on President Reagan's new aid request will be held this week in the Senate. The measure, sponsored by Richard G. Lugar, Republican of Indiana and chairman of the Senate Foreign Relations Committee, and Senator Sam Nunn, Democrat of Georgia, would provide the rebels with \$14 million in "humanitarian" aid during the present fiscal year and as much as \$26 million in fiscal 1986.

On Thursday, the House is expected to vote on a proposal by Republicans and moderate Democrats to provide \$27 million in aid

for the rebels through next March 31, and specifically forbid the CIA to administer it.

A rival measure by the House Democratic leadership would go even further, taking the aid completely out of the hands of the U.S. government and requiring that it be administered through the United Nations and the International Red Cross. In addition, the aid, limited to \$14 million, could be provided only to Nicaraguan refugees.

Although President Reagan would prefer that the aid be distributed through the CIA, Mr. Speakes said, "we understand the legislative realities."

## U.S. Discusses Force in Nicaragua

(Continued from Page 1)

Ike said, "We know from experience that that doesn't work."

In general, the Reagan administration has demanded that Nicaragua demilitarize, cut its ties with the Soviet Union and Cuba and change its form of government to a pluralistic democracy.

But many officials in both the Nicaraguan and U.S. governments believe the prospects are remote that the Sandinistas will adopt policy changes that would be satisfactory to the United States.

"They are hellbent on pursuing their policy," Mr. Ike said. "The idea that you can strike a deal with them seems unrealistic."

In a speech in April, Mr. Ortega said: "The United States still doesn't understand that this is an irreversible revolutionary process. Here, there can be no backward steps."

In the months and years ahead, the administration officials say, would be the consolidation of Nicaragua's government into what administration officials often call "a second Cuba," meaning a heavily controlled, Soviet bloc dictatorship that actively promotes Marxist revolution elsewhere.

Mr. Ike said, "Even members of Congress say they are not going to permit a second Cuba."

With "a second Cuba," Senator Lugar said, "we might be invited" by Nicaragua's neighbors to invade "as we were invited in the East Caribbean." Before the invasion of Grenada in October 1983, the leaders of several Caribbean island na-

tions formally requested U.S. military intervention.

"In public and in private," Senator Nunn said, the other countries of Central America "would be strongly opposed" to a U.S. invasion of Nicaragua.

But many U.S. military and diplomatic officials and others in the region have reported a different view to their superiors in Washington.

A senior diplomat in San José asserted that "an awful lot of Costa Ricans" would in fact welcome an invasion.

In Honduras, President Robert Somoza Cordova has been quoted as saying that Nicaragua is "like a cancer: the only cure is to cut it out."

There is also a large and growing body of opinion within the administration that the majority of Nicaraguans would welcome an American invasion, several U.S. officials said.

An American intelligence officer who has interviewed dozens of people in Nicaragua said: "What the people tell me is 'we'd get out of your way and let you take care of the Sandinistas' if U.S. troops landed. The biggest problem U.S. forces would face, he added, would be preventing 'severe redistribution' against Sandinist officers."

A spokesman for the Sandinist government, Maria Christina Arguello, said: "They may criticize the government now because of the economy and the shortages of food and other items. 'But when there is an emergency, you can be sure they will take up arms.'"

# Marriott Hotels in the Middle East

AMMAN • CAIRO • JEDDAH • KUWAIT • RIYADH

For reservations: Frankfurt ☎ (069) 28 74 92 • Munich ☎ (89) 18 20 93 • Paris ☎ (06) 079 11 37 • London ☎ (01) 439 0281 • Amsterdam ☎ (20) 43 51 12 • Milan ☎ (2) 345 2009 • Zurich ☎ (01) 302 0979 • Utell International or your Travel Agent.

**Marriott**  
HOTELS • RESORTS



# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Taxing a Bit More Fairly

In seeking tax reform at this point in his presidency, Ronald Reagan may have tackled things in the wrong order.

It would have been more useful had he introduced a so-called neutral tax reform — redistributing the tax burden in the interests of justice and economic efficiency, not for revenue purposes — early in his first term and gone slow on his initial dash to lower taxes all around. The leap over the high tax wall left the economy with grazed knees: It dragged the budget into huge structural deficit and did not, despite its supporters' assertions, stimulate higher private saving from which the deficit could be financed. So America had to borrow massively from abroad, which sent its exchange rate into vertical takeoff and rendered many of its producers uncompetitive.

The present tax-revision proposals are generally sensible, though less than ideal. Ostensibly aimed at reducing the tax burden on the poor, the honest and the small by closing loopholes for the wealthy, the plan already concedes more to the self-interest lobbies than had been hoped. The main beneficiaries of lower taxes would be some of the poor — not the very poor who pay no taxes but whose benefits have been truncated in recent years — and the rich. Business, in total, will have to contribute more, but whether in the long run this is a shift of real after-tax income from corporations to individuals is uncertain: Higher business taxes have the habit of being passed on to the individual through higher prices, particularly when times are reasonably good.

INTERNATIONAL HERALD TRIBUNE

## Proper Aid to the 'Contras'

Again, Congress is grappling with the Nicaragua "contras," whom it left in April without American support. The choice in the House is between the Democratic plan of Representative Michael Barnes and the Republican plan of Representative Robert Michel. The Barnes plan takes the American finger off the trigger of the insurgency: It repudiates the Reagan resort to force, bars military aid and makes relief available to contras only as international war outside Nicaragua. The Michel plan keeps the American finger on the trigger: It offers "humanitarian" aid — a euphemism for logistical aid to a force whose military needs are met by others — to contras operating inside Nicaragua. Both plans undertake to facilitate diplomacy, encourage a Nicaraguan political dialogue and induce a purge of the contras' Somoza and criminal elements.

The Michel plan appears to be a moderate option. It keeps faith with Nicaragua's good democrats without directly refuting a controversial military intervention. But it is one-sided on the wrong side. It rests explicitly on the threat of renewed support for an intervention discredited by four years of experience. The Sandinists have used the intervention to rally Nicaraguan opinion and substantial international opinion to an otherwise flagging cause. The contras have inflicted damage in the countryside but have yet to apply anything near the pressure that would compel the regime to "say uncle," President Reagan's stated goal. The likelihood of a new sharpening of Sandinist border clashes with Honduras and Costa Rica, U.S. involvement, to protect these clients from reprisals brought on by their support of American policy, is a growing risk. The Barnes plan might not force many insurgents to quit Nicaragua. Those who did

— THE WASHINGTON POST.

## Other Opinion

### A Long Mideast Process

If the American-Jordanian-Palestinian meeting comes off, it will clearly be intended by both sides as a prelude to direct Israeli-Arab negotiations, though much will depend on the credibility of the Palestinian statements. These are the very methods Israel has always canvassed as the only proper ones for resolving the conflict.

[Prime Minister Shimon] Peres, though he may play hard to get for tactical reasons, will surely be anxious to take up the [Jordanian] king's offer, and may not be too sorry if he fails to carry his foreign minister along with him. Yitzhak Shamir, after all, is cast as Memphis to Mr. Peres's Faust. At some time before October 1986 Mr. Peres will want to part company with him, and invite the electorate to judge between them. The two sides are

approaching decisions they have avoided for nearly 40 years. We should not demand, or expect the earth from Israeli or Palestinian in what will be a long, delicate process.

— The Times (London).

### Time to Rebuild the Pentagon

This should be the year in which Congress comes to grips with the need to reorganize the Pentagon. Legislators and the public are nearing an end of their patience with a system that received 49-percent increases, after inflation, during President Reagan's first term and now devours \$300 billion annually, yet can't quit crying. The complaint about ending Pentagon waste and abuse does not cut to the heart of the problem. The issue is restructuring the military command, especially the Joint Chiefs.

— The Boston Globe.

## FROM OUR JUNE 6 PAGES, 75 AND 50 YEARS AGO

**1910: Anti-Trust Suits Hurt U.S. Stocks**  
NEW YORK — It is believed that the bottom has not yet been reached in Stock Exchange operations. The present situation has nothing to do with the country's general prosperity, which continues unabated. The cause is the inability of the financial magnates to judge how the government's anti-trust proceedings will end. This feeling must continue until the Supreme Court delivers its verdict on the Tobacco and Oil trusts next winter. There are 1,200 corporations with more than \$10,500,000 capital who are liable to penalties under the Sherman Anti-Trust Law. If the Court holds the Tobacco and Oil trusts to be illegal, this fact places financiers in a highly nervous state and makes the Stock Exchange subject to depression on the slightest indication of renewed anti-trust warfare.

**1935: Hull Urges Effort on Free Trade**  
PARIS — Secretary of State Cordell Hull, who has pursued his policy of seeking to break down barriers to trade underwritten by the conflicting claims, criticism and theories of other members of the Cabinet, has made a fresh statement of sound policy, which happens to be virtually in the form of an invitation to other nations to cooperate with the United States in encouraging commerce. He does not go so far as to call for a new international conference. But he does call for what he terms "simultaneous effort" to re-establish price structure, to secure currency and exchange stability, and to remove quota restrictions, import licenses, exchange controls and other obstacles to trade. Mr. Hull's proposal follows an appeal for currency stabilization by Secretary of the Treasury Henry Morgenthau Jr.

## INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUEBNER, Publisher  
Executive Editor: RENE BONDY  
Editor: ALAIN LECOUR  
Managing Editor: RICHARD H. MORGAN  
Deputy Editor: STEPHAN W. CONAWAY  
Associate Editor: FRANCOIS DESMAISONS  
Director of Advertising Sales: ROLF D. KRANEPUHL

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 747-1263. Telex: 612718 (Herald). Cable: Herald Paris. ISSN: 0294-8052.  
Director of publication: Walter N. Taylor  
Also Headquarters: 24-34 Hennessy Rd., Hong Kong. Tel.: 4-285618. Telex: 61170.  
Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2E 9LT. Tel.: 263009.  
Gen. Mgr. W. Germany: W. Lautbach, Friedrichstr. 15, 1000 Frankfurt/M. Tel.: (069) 25755. Telex: 616721.  
S.A. au capital de 1,200,000 F. RCS Nanterre B 732021/26. Commission Paritaire No. 61337.  
U.S. subscription: \$332 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
© 1985, International Herald Tribune. All rights reserved.

## Soccer: The British as Europe's Bad Children

By Anthony Burgess

MONACO — Television feeds us with rich, bloody food these days. On the same evening, we see aggression in Beirut and aggression in a Brussels soccer stadium.

In the Middle East, the aggression is not mindless; it is politically and religiously motivated. In Brussels, we saw a display of lethal stupidity.

Meanwhile, the dead are dead and are past wondering why they had to be killed. As T.S. Eliot put it, they are folded into a single party and accept the constitution of silence.

People of my generation were brought up to believe that organized games were a means of purging animal high spirits which might otherwise be harmful to society. That was supposed to apply to the spectators as much as to the players. We now see how hopelessly untrue that supposition was. We assume now that a football match is an opportunity for unleashing partisan violence, and we use protective devices to prevent the violence from going too far. Riot squads, mounted police, barbed wire, brick walls proclaim that football is no longer a family entertainment. It is an excuse for a containing wall.

The supporters of the Liverpool team playing in Brussels — when 38 persons were killed in a wall collapse when the Liverpool fans charged supporters of Juventus, an Italian team — did not hate the Italian fans. They had nothing against them in terms of usual pretexts for mass aggression. Nobody could write a book about Liverpool wanting to wage war against Turin. The British were not even being chauvinistic toward the Italians.

There was merely an excess of animal energy that found a focus and a target. Any focus and any target would do. An international soccer match provided a marvelous pretext for violence. Young people like violence. They cannot use their energy to create so they use it to destroy. The Liverpoolians did not mean to take human lives. They did not know what their aggression would lead to. They just did not think. They were and are stupid.

Unfortunately, they represent merely the latest and most destructive wave in a shameful history. As an Englishman living on the continent, I am sick sometimes of belonging to a race that, in the name of sport, exhibits on foreign soil a pretty wide spectrum of human degradation.

The French and the Belgians and the Germans wonder what has got into the British. They are disgusted by flailing fists, knives, cursing and blasphemy, drunkenness and vomiting, theft and vandalism. I would feel more tolerant of all this if the genuine Europeans, not just the offshore islanders, exhibited the same symptoms of aggressive imbecility. But they don't. It is the British who are regarded as Europe's bad children.

Why is this? Cleverer men than I have failed to explain what has gone wrong with the race once

*The French and the Belgians and the Germans wonder what has got into the British. They are disgusted by flailing fists, knives, cursing and vandalism.*

noted for its gentleness, good sense, humor and tolerance. We are told that the unthinking British resent being part of Europe and show their resentment in bringing out knives and improvised truncheons against harmless Europeans. That hardly explains the aggression that is a regular element of spectator response on British soil. The game itself, wherever it is played, has become an excuse for cracking skulls.

The leftist sociologists may interpret stadium violence as an expression of resentment at the Conservative government of Prime Minister Margaret Thatcher and its acquiescence in growing unemployment. The young, they will say, are frustrated and have to vent their rage somehow. Rage is best vented when you become part of a mob: You forgo personal responsibility for it and have the delicious sensation of stripping yourself of inhibitions and morality you learn at your mother's knee. The rage becomes both abstract and personally satisfying. Mob violence has always been part of world culture. Britain's great achievement was traditionally the repression of it through concepts such as fair play.

It is only soccer that brings out the beast in its young spectators. Neither cricket nor rugby has this effect. Anthropologists tell us that the big round ball was really a human head that was kicked around. (In 1660, after the monarchy was restored in England, the head of Oliver Cromwell, who had dethroned a king, was dug up and booted about until it was mush.)

But I don't think there is anything in the game itself that predisposes to partisan violence; rugby is a far tougher sport. It just happened that soccer attracts the biggest crowds. Big crowds are mobs. Mobs are naturally given to violence. We saw that clearly enough in the Brussels stadium. It would have been a fitting tribute of public outrage at the violence to abandon the match. But if the match had been abandoned there would have been an uncontrollable riot. Organized society gave in and was pragmatically right to do so. It was not morally right. Morality should have decreed a cancellation of the game.

Some television channels in effect canceled it by refusing to show it. It was a good game, but few of us were able to enjoy it. We couldn't help thinking of certain people who had been booted into the stadium of the next world.

We have not finished with soccer violence. The organization governing soccer competition in England announced, after its head had met with Mrs. Thatcher, that no team under its jurisdiction would play in Europe next season. Later, the soccer association governing European soccer banned English club teams indefinitely from European competition. But all this does not really solve the problem of soccer violence.

Wherever and whenever the British do play, all that can be done is to impose more and more techniques of containment: more police, more barbed wire, more guns at the ready. The game itself should be banned, but that is not going to happen. Any British government pondering the outlawing of the great game will have to face working-class displeasure and a loss of votes.

All we saw in Brussels was abysmal stupidity. And against that, not even the gods can fight.

*This comment, by the author of "A Clockwork Orange," "This Man and Music" and other books, was contributed to Newsday.*

## For a More Rational Debate on Military Spending

By Sam Nunn

The writer, a senator from Georgia, is the ranking Democrat on the Armed Services Committee.

WASHINGTON — For the past four years the U.S. national security debate has focused on two underlying themes: how much the defense budget should grow each year and how much U.S. military forces have improved since President Jimmy Carter left office.

A shift in this myopic debate is overdue. The reference point for measuring improvement should not be the 1980 defense posture but current military needs and objectives.

America is faced with zero to 3 percent annual military growth, after inflation, for the foreseeable future. So meaningful benchmarks are essential, if difficult. The Reagan administration and Congress must focus on the real challenges that should guide national security decisions.

Following the U.S. expenditure of about \$700 billion on NATO-related forces since 1980, can the North Atlantic Treaty Organization meet the requirements of defending its territory? The recent description by the supreme allied commander, General Bernard Rogers, of NATO military posture as one that requires the release of nuclear weapons "in terms of days, not weeks or months" is a good starting point for examining America's NATO defense posture.

Can the United States meet the rigorous requirement of defending interests in the Gulf that have been defined as vital by both Presidents Reagan and Carter? Does America have the strategic mobility, on-the-scene allies and clear military strategy required to defend an area 7,000 miles (11,375 kilometers) from home against Soviet aggression?

Are U.S. mobilization goals appropriate and achievable? Should Americans continue to base their mobilization objectives on developing the capability to fight for months in Europe when U.S. allies would start to run out of ammunition in less than two weeks and NATO's war plan calls for 30-day sustainability?

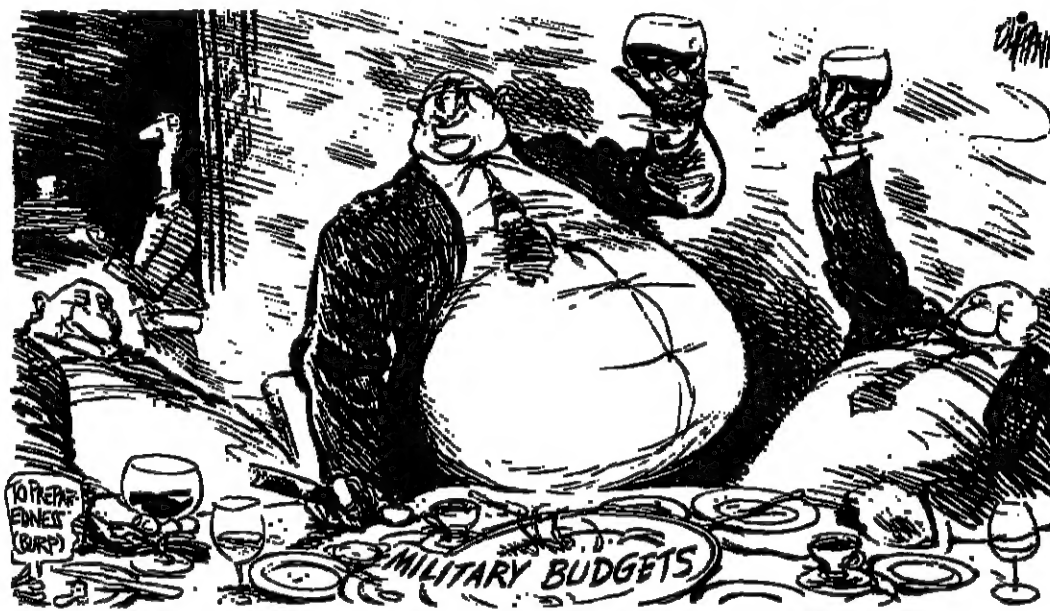
Will any level of defense spending provide the United States the capability to meet the requirements of the administration's three-and-a-half-war strategy? (Defense Secretary Caspar Weinberger has testified that the administration's "long-term goal is to be able to meet the demands of worldwide war including concurrent reinforcement of Europe, deployment to Southwest Asia and the Pacific, and support for other areas.") Has the "strategy-capability gap" narrowed over the last four years with the expenditure of \$1 trillion on the military? Will this gap close with the planned expenditure of \$1.3 trillion over the next four years?

Defense experts will differ in their answers to these questions, but certain conclusions are inescapable:

- Current U.S. military strategy as set forth by Mr. Weinberger has little relationship to present capability or foreseeable resources.
- U.S. military planning is out of sync with that of America's allies, and its mobilization goals are out of sync with NATO abilities and plans.

Even using the "Are we better off now than we were four years ago?" benchmark, the answer is "yes," but not in proportion to the dollars spent. The U.S. force structure (army and marine divisions and air force wings) is essentially the same, though the navy has added some ships. The readiness of the nation's forces has improved primarily because of the increased quality of their manpower. The ability to sustain a war has improved, but is far short of announced goals. Modernization of weapons systems is under way, but is in jeopardy in a no-growth environment.

To justify increased military spending, Mr. Weinberger frequently displays charts that show how Warsaw Pact nations are outproducing NATO members in various categories of weaponry. He has a point. In



"Gentlemen — to our lean, mean fighting machine!"

1984, NATO produced 1,760 tanks, 755 artillery tubes, 80 rocket launchers and 525 fighter aircraft. The Warsaw Pact produced 3,650 tanks, 3,200 artillery tubes, 700 rocket launchers and 1,070 fighter aircraft.

Yet NATO has consistently outperformed the Warsaw Pact for the past decade and a half, especially over the last four years. This raises some tough questions. If the alliance nations are already outperforming the Warsaw Pact, how can this problem be cured? Moreover, is it the administration's goal to match the Warsaw Pact tank for tank, plane for plane? If so, how, and at what cost?

Unless the administration and Congress refine their military objectives and concentrate on the overall

U.S. and allied military output, defense in the 1980s and 1990s will increasingly fall into the same disrepute that many domestic programs are now in. The recent budget debate and congressional votes on defense indicate that trend is well under way.

Americans must recognize that defense spending has leveled off after five years of growth. It is likely to stay that way until the public and Congress are convinced that the deficit is being reined in and that increased military spending can really narrow the gap between U.S. capabilities and strategy. In approaching national security with a new realism, several essential steps must be taken:

- U.S. defense planners must revise their strategy to base it on Western strengths and Soviet weaknesses.

- They must coordinate weapons programs with those of U.S. allies to eliminate wasteful duplications, and they must ensure that the allies are marching to the same war plans.

- The Pentagon procurement system must be exposed to a strong dose of free-enterprise competition and accountability. The production of low-priority weapons must be stopped and the number of new weapons produced must be limited.

- Americans must insist that the Reagan administration define the Strategic Defense Initiative realistically to avoid public disillusionment.

- And reforms must be carried out in the structure of the military services, the Joint Chiefs of Staff and the Defense Department itself.

The Washington Post.

## For East Asia, a 10,000-Year Reign?

By Robert K. McCabe

SEOUL — Not far from this wooded hilltop on the campus of Yonsei University, South Korean students are rehearsing a peasant dance that combines exuberantly amplified gong-and-drum bashing with intricate leaping and much shouting.

Only when the students take a breather can one hear — at almost sunset — a tape of Steve Wonder singing a recent hit, "I Just Called to Say I Love You."

The metaphor is irresistible: East Asia's boom is drowning out the sounds of the West. Japan's power-house is being joined — some might say challenged — by most of the nations of the region.

Led by what Prime Minister Lee Kuan Yew of Singapore likes to call the "chopsticks civilizations" (South Korea, Taiwan, Singapore and Hong Kong), noncommunist East Asia is taking off. Malaysia, Indonesia and Thailand are also chalking up records of steady growth, rising per capita income and minimal inflation.

Japan's economic success has been well documented. But the surge of the rest of East Asia has been less well publicized. To this reporter, well in Asia after nearly 20 years in Western Europe and the United States, the area's progress comes as a shock.

Out here, change is constant. Europe seems static in comparison. The old leaders of Asia (Sukarno, Park Chung Hee, Ho Chi Minh, Mao) are gone, and so are the old skylines. There are flashy skyscrapers and ultramodern office buildings now where squat concrete buildings stood two decades ago.

There are traffic jams (BMW's and Mercedes-Benzes lurching horns with Datsuns and Toyotas) where tishaws once trundled California-style ranch houses have replaced reed huts, and Paris-styled

ready-to-wear clothing hangs in place of sarong kebaya and cheongsams in a million Asian wardrobes.

An Asian middle class has emerged, happily gorging itself on fast food (McDonald's and Wendy's seem everywhere), staring at ubiquitous but dubious color television (in Manila, I watched National Football League films with growing unease until I finally found they were of the 1979 playoff) and driving shiny new sedans with the brim of Grand Prix racers.

Asians more and more are enjoying today — but they are not forgetting tomorrow. Their children are getting much better educations than their parents did. Taiwan is spending 19.5 percent of its total public outlay on education; South Korea, 16.3 percent; Indonesia, 16.1 percent. And Thailand? An incredible 26 percent.

Behind all this, of course, is steady economic growth. Recent figures indicate Taiwan's economy is climbing at 11 percent a year, and South Korea is matching this. Singapore is at 8 percent.

There is a black spot: the Philippines. Last year, faced by political uncertainty, the country's gross national product contracted by about 5 percent; its economy is in serious trouble across the board. But the rest of the area is averaging better than 5 percent growth a year.

Income figures are rising too. Brunei's \$20,800 per capita income is difficult to deal with when one remembers that a few decades ago, before its major oil finds, it was a struggling little British colony. Japan's \$7,109 figure is still East Asia's best, but Hong Kong's \$5,316 and Singapore's \$5,219 are not far behind. One projection says Singapore's per capita growth rate

will surpass that of the United States by 2001.

And while growth extends, inflation is in check. South Korea's inflation rate is about 2.5 percent a year, and Taiwan's is 1.4 percent. Others: Thailand, 3.8 percent; Malaysia, 5 percent; Singapore, 6.3 percent; Hong Kong, at 10 percent; and Indonesia, at 12 percent, are not doing as well. The Philippine rate is close to 30 percent.

Provocatively, the healthy economies are something less than free. At least some government regulation is the norm, whether it is called "state capitalism," a "mixed economy" or simply "planning." And with this goes a degree of political restraint, most conspicuously in South Korea, though the governments are quick to show their teeth.

But for Asia's millions, the Pacific revolution has brought more benefits than burdens. U.S. trade with Pacific nations surpassed U.S.-European trade in 1980 and now runs at nearly a third more.

Odds are that Pacific links will continue to expand. Four of the world's greatest powers (the United States, the Soviet Union, Japan and China) are Pacific nations. By 2010, more than 60 percent of the world's population will be living around the so-called Pacific Rim.

It was Douglas MacArthur, of all people, who on Leyte back in 1944 said that "Europe is a dying system.... The lands bordering the Pacific, with their billions of inhabitants, will determine the course of history for the next ten thousand years. Ten thousand? A bit strong, perhaps. But the Pacific Revolution may become one of the most significant phenomena of our times.

The writer, a deputy editor of the International Herald Tribune on leave, is a specialist in Asian affairs.

## Tax Reform: With Justice For Some

By Hobart Rowen

WASHINGTON — In its hard sell for tax reform, the Reagan administration has done its best to make it appear that everybody, or practically everybody, is a winner.

Treasury Secretary James A. Baker 3d claims the tax program will boost economic growth by an additional 1.6 percent by 1995. But he decided, and wisely, not to crank that computer-generated figure into the tax computations, "so we couldn't be accused of cooking the books."

What the Treasury Department did not advertise was that there would be a fairly painful transition. It was provided by officials with some details of the housing starts would drop sharply, by 8.5 percent in 1986, 7.1 percent in 1987, 7.0 percent in 1988, and 3.9 percent in 1989 from projections based on current tax law. Housing starts would not recover to the point they otherwise would have reached until 1993 or 1994.

For all the president's glowing language about economic growth and incentives, the unemployment rate would show no improvement, compared with present expectations, until 1995, and even then the gains would be minimal.

There would be significant changes in the composition of gross national product: Real fixed investment by businesses would grow by an extra 4.5 percent by 1995, and both inflation and interest rates would be down by a little more than a percentage point, compared with existing law.

Computer runs are not the end of all wisdom, to be sure. In the coming weeks there will be a raft of private analyses, and results may differ. But the computer analysis produced for the Treasury Department is enough to show that a lot of the administration's rhetoric is wishful thinking.

Moreover, there is reason to be suspicious of the claim that the current proposal is "tax neutral." Dan Rostenkowski, the Illinois Democrat who chairs the House Ways and Means Committee, estimates that by 1995 there would be a net loss of \$12 billion annually, whereas the Treasury Department's first round plan would have picked up \$13 billion.

So the current proposal may be a new tax-reduction proposal that would add to, not minimize, the budget-deficit problem. A major share of the benefits goes to the working poor, helping them recover from the 1981 tax law, which was biased against them. But the biggest cut goes to the very wealthy. Not only do the rich — who got the lion's share of the 1981 tax cut — benefit enormously from a reduction in the top rate from 50 percent to 33 percent, they get a huge bonus through a cut in the capital-gains tax from a maximum of 20 percent to 17.5 percent.

A study by the Center on Budget and Policy Priorities based on Treasury data shows that the average annual tax cut for those making more than \$200,000 a year would be \$9,254, while the cuts for those in the \$10,000 to \$50,000 income brackets would be \$128 to \$211 a year.

But the key question is whether the new plan will, as the Reagan administration contends, stimulate growth — especially through new capital formation — and generate additional revenues. The same supply-side argument was made in favor of the 1981 tax-reduction plan, which in fact eroded the tax base, dramatically that huge budget deficits are assured for the rest of this decade.

The administration's casual promise of greater economic growth, translated into Mr. Reagan's glowing image of a new and stronger America, is based on the econometric exercise showing a 1.6-percent extra increase in real GNP growth by 1995, and also on the president's untested assumption that all Americans will work longer and harder if they can keep a greater share of their earnings.

"I can't prove it," says one of the Reagan tax-reform architects, "but common sense tells you that this bill will increase growth much more than 1.6 percent." Because in a world where the workers believe the system is more fair, it will reduce worker alienation....

"From a Keynesian standpoint, there ought to be a favorable effect on consumption and growth. From the supply-side view, there ought to be benefits from investment. So over time, the system ought to be more efficient, more neutral."

From the standpoint of the industry now enjoying tax benefits, from real estate to the "just belt," neutrality means pain. Prosperity plus have been grossly inflated by the tax system, which gave some old-line companies a "negative" tax rate.

But an abrupt shift into a new system could shake the economy. And the proposal would establish a new set of inequities. We are a long way from the principle of true tax reform that treats all income equally.

The Washington Post.

## LETTERS

### In 'Backward' Europe

Regarding "Preferably in Wisconsin" (Letters, May 30):

Poor Frank Richardson, condemned to live in "backward" Europe. And pity all those misguided, envious folks in Wisconsin, who foolishly imagine that Europe has anything more to offer than telephones and bank transfers.

CHRISTINE PEMBERTON, Paris.  
Class, Mr. Richardson, applies to social relationships, not telephone systems. And as for your beating problems, did you ever try to exchange foreign currency in Wisconsin — or in New York, for that matter?

JOHN P. CANNIZZO, Zurich.



Tax Reform  
With Justice  
For Some



Palestinian in Sabra camp salvages what she can from her shop in a damaged building.

## Beirut Camp in Ruins, Visitors Say

Palestinians' War-Damaged Sabra May Be Uninhabitable

By Ihsan A. Hijazi

New York Times Service

BEIRUT — The destruction of Sabra, one of three Palestinian settlements besieged by Shiite attackers for nearly three weeks, is so extensive that the refugee district may no longer be habitable, according to visitors to the camp in the last two days.

They said many Sabra residents were sleeping on sidewalks outside the settlement, in a southern suburb of Beirut.

Sources close to the United Nations Relief and Works Agency for Palestine Refugees said that more than half the houses in the settlement were not safe to live in, and that most of the rest had been damaged.

Officials from the relief agency, which looks after hundreds of thousands of Palestinian refugees in Lebanon and other Middle Eastern countries, have not been able to inspect the two other settlements, Chatila and Borge Barajni.

Red Cross workers have evacuated 93 wounded Palestinians from Borge Barajni, but they have been unable to re-enter the camp because of the fighting.

Militiamen of the Shiite Amal movement and soldiers of the Lebanese Army's 6th Brigade took control of Sabra last week and have occupied much of Chatila. They have Borge Barajni under siege.

The three settlements contain 30,000 people. Perhaps as many as 20,000 other Palestinians live in Moslem quarters near the makeshift settlements.

Visitors to the area said women, children and old men were sleeping on sidewalks around the Beirut Arab University, outside Sabra. Others said 160 Palestinian families had moved into the shell of the building that once housed the U.S. Embassy on the waterfront.

The seven-story embassy building was severely damaged by a suicide car-bomber in April 1983. It is close to the headquarters of the Druze militia of the Progressive Socialist Party, which, although an ally of Amal, did not join the offensive against the settlements.

Palestinian guerrillas in the hills above Beirut have been firing batteries of artillery shells and rockets against Shiite positions.

Shiite militiamen and soldiers are on alert inside Sabra because of

attacks by guerrillas hiding in tunnels. An Amal fighter said the tunnels were "infested" with gunmen.

The bodies of 13 Palestinians were recovered Tuesday from the demolished Gaza Hospital in Sabra. The police said 500 people had been killed, with more than 1,500 wounded.

Press reports have said that Syria was pressing for an end to the violence, with Vice President Abdel Halim Khaddam engaged in talks with Palestinians and Lebanese.

The Shiite group has insisted it will halt its attack only if the Palestinians surrender their arms and allow the Lebanese Army 6th Brigade to take over security duties in the refugee districts. The terms were rejected by the leaders of the Damascus-based Palestine National Salvation Front, which says it speaks for the refugees.

Yasser Arafat, whom the front opposes, blames Syria for the Shiite attack on the Palestinians. In response to a call by Mr. Arafat, who is chairman of the Palestine Liberation Organization, 13 of the Arab League's 21 member-states have agreed to meet Friday at league headquarters in Tunis.

## Solzhenitsyn, Wife Apply To Become U.S. Citizens

The Associated Press

SAINT ALBANS, Vermont — The exiled Russian author, Alexander I. Solzhenitsyn, and his wife, Natalia, have filed applications for U.S. citizenship, according to court papers.

The papers were filed with an immigration office here last week by the Solzhenitsyns, who moved to Cavendish, Vermont, in 1976 soon after their arrival in the United States.

Mr. Solzhenitsyn, 66, the author of 20 books and many short stories and poems, won international acclaim in 1962 with the publication of "One Day in the Life of Ivan Denisovich," which described life in a Soviet forced-labor camp during the Stalin era.

He spent eleven years in labor and prison camps after writing a letter critical of Stalin. He was released in 1956.

The author won the Nobel Prize in literature in 1970. Four years later, he was arrested by Soviet officials for criticizing the government. He was put on a plane to West Germany.

Since his arrival in the West, Mr. Solzhenitsyn has spoken only rarely in public. But in his published work he has been critical of the American form of government. In a long letter to the Soviet leadership in 1974, he enjoined them to drop Marxism, and he also criticized the West and the United States. In

America, he said "once every four years, the politicians, and indeed the entire country, nearly kill themselves over an electoral campaign, trying to gratify the masses."

His 45-year-old wife also has published several articles and made statements critical of the Soviet government. The Soviet government revoked her citizenship in 1977.

In an interview published in Vermont Life magazine in 1983, she said she and her husband had not given up hope of returning to their homeland.

"Our largest problem is the fact that we have lost Russia," she said. "This feeling does not go away. On the contrary, every year it becomes more intense. We have grown to like Vermont very much, and we wouldn't leave this for any other place but Russia, if it ever becomes free."

Norman Henry, head of the Immigration and Naturalization Service office in Saint Albans, said it generally took up to three months to process a citizenship application.



Alexander I. Solzhenitsyn

The couple's three sons would automatically become citizens once their parents are sworn, according to Leonard Lafayette, clerk of the U.S. District Court in Burlington, Vermont, where the petitions are on file.

The Solzhenitsyns reportedly have expressed a desire for a private naturalization ceremony. Most applicants become citizens in large groups, but officials said a private ceremony could be arranged.

## Doctors in South Africa Say Police Abuse Patients

By Allister Sparks

Washington Post Service

JOHANNESBURG — Police officers were watching the patients register at a large hospital for blacks in Port Elizabeth when a young man came in with gunshot wounds in his chest and left arm.

An Indian doctor with sharp eyes, Mandikar Jata, later described how he learned across to the admissions clerk and declared: "This is Dr. Brown's gardener. Injured himself with a screwdriver. Admit him to my ward."

Dr. Jata, of the Port Elizabeth hospital staff, said he has been smuggling patients into his ward and treating them secretly for two months because the police in eastern Cape province, where most of South Africa's prolonged racial unrest has been, keep watch at all the region's hospitals to arrest any black person admitted with gunshot wounds.

The mere fact of such a wound, especially from a shotgun, is regarded as evidence that the person was involved in a riotous crowd that clashed with police, Dr. Jata said.

The wounded person is immediately placed under arrest, and an armed guard is posted at his bedside. According to Dr. Jata, some patients are handcuffed to their beds.

When the patient is discharged from the hospital, he is taken to a police cell, then to a court to be charged with riotous behavior.

Dr. Jata and a white doctor in private practice in Port Elizabeth, Gavin Blackburn, gave this account of police action regarding blacks injured in unrest in the region, where at least 129 persons have died since March 21, at a meeting of concerned doctors and paramedics held last week in the Medical School of Johannesburg's Witwatersrand University.

The meeting was called by the National Medical and Dental Association of South Africa, which broke away from the officially recognized Medical Association of South Africa because of the latter's failure to act against the doctors who treated Steve Biko, the black consciousness leader, before he died in police custody in 1977.

The medical and dental association's eastern Cape branch has protested at what it regards as police interference with doctor-patient relationships.

It issued a statement recently accusing the police of intimidating and arresting patients in hospitals, of placing

them under arrest in their beds and sometimes confiscating their medication when they were transferred to police cells. It said the police had instructed some private doctors not to treat patients in their consulting rooms but to send them to the hospitals so that they could be arrested there.

Accusing the authorities at the state-run hospitals of being in collusion with the police, the medical body — which has

**'They walk about the hospital in camouflage fatigues carrying Sten guns and automatic rifles.'**

about 650 members throughout the country compared with 6,000 in the officially recognized group — said sections of the hospitals where the wounded blacks were treated were closed to the public. Catholic priests had been told they could not go into these sections to administer last rites to dying patients, the statement said.

The association said that many wounded blacks had gone without treatment because they were afraid to go to the hospitals and were turned away by nervous private doctors. A few had tried to operate on themselves to extract shotgun pellets, resulting in infections. Some patients had died through lack of medical attention.

Asked to comment on the allegations, a spokesman at police headquarters in Pretoria said: "Since we do not know the parameters of the Kannemeyer Commission's terms of reference, we are unable to comment."

The Kannemeyer Commission has been investigating the police shooting of 20 members of a black crowd near the town of Uitenhage on March 21. The South African authorities have said that they should not comment on this incident until the commission has reported.

Judge Donald Kannemeyer, who headed the five-week investigation, handed his report to President Pieter W. Botha on Wednesday. Details of his findings were not revealed.

Judge Kannemeyer said when the hearings started that they would focus only on the massacre itself and not probe general conditions relating to unrest in the region.

Dr. Jata said he was one of "maybe three or four" doctors out of a staff of 120 at Port Elizabeth's Livingstone Hospital who had tried to circumvent the police net to treat patients clandestinely. He said they risked their jobs as provincial government employees, and added: "I might even be dismissed for addressing this meeting."

Dr. Blackburn said he was one of several private doctors who had set up a rudimentary clinic in a church hall in Uitenhage, where they attended to wounded blacks who were afraid to go to the hospitals.

"We have no sterile facilities," Dr. Blackburn said. "There is no hot water, no X-ray equipment, so we don't know where the bullets are to extract them. There really isn't much we can do except give the patients penicillin injections."

Dr. Jata said he had done a voluntary stint at the church hall and realized that it was imperative to get some of the patients to a hospital.

"The only way," he said, "was to do something irregular and improper. I admitted them to my ward under a false diagnosis."

As an example, he said he had admitted one patient whose jaw had been shattered by a bullet as a case of "right facial palsy."

"The police had taken over the first and second floors of the hospital, and I was on the third floor, so they didn't really know what was going on up there," Dr. Jata said. "The main problem was to stop the nurses from talking."

Dr. Jata said he found the behavior of the police in the wards "unwarranted."

"They walk about the hospital in camouflage fatigues carrying Sten guns and automatic rifles," he said. "They smoke where there are no smoking signs. They play cards in the wards, and they fingerprint patients pre- and post-operatively."

Still, he said, the situation in his hospital was not as bad as at the Uitenhage hospital, which he said was "like a military camp."

"Police trucks move into the Uitenhage hospital compound as often as ambulances," Dr. Jata said.

## Papandreou And Cabinet Take Office

Reuters

ATHENS — Andreas Papandreou was sworn in Wednesday as prime minister for a second four-year term following the election victory on Sunday of his Panhellenic Socialist Movement.

Hundreds of people gathered outside the presidential palace to cheer the new cabinet. Mr. Papandreou, 66, kept the defense portfolio, and Foreign Minister Ioannis Haniotopoulos, Economy Minister Gerassimos Arsenis and Arts Minister Melina Mercouri kept their posts.

They and other ministers sworn in Wednesday will serve only until July, when parliament is expected to pass legislation to make the cabinet smaller. The cabinet held 52 posts. Mr. Papandreou said Tuesday the temporary cabinet would have 10 or 12 members.

The Socialists won 161 seats in Greece's 300-member, single-chamber parliament.

Miltiades Papaioannou the second-ranking official at the Interior Ministry, was appointed justice minister. Athanasios Tsouras, the third-ranking official in the ministry, became public order minister. The ministry had organized the elections.

Yannis Kapsis, who as foreign undersecretary handled ties with Turkey and the United States, was not included in the cabinet.

Theodore Pangalos kept the post of foreign undersecretary for European Community affairs. He has had successes in securing more community aid for Greece. Kostas Simitis remained agriculture minister.

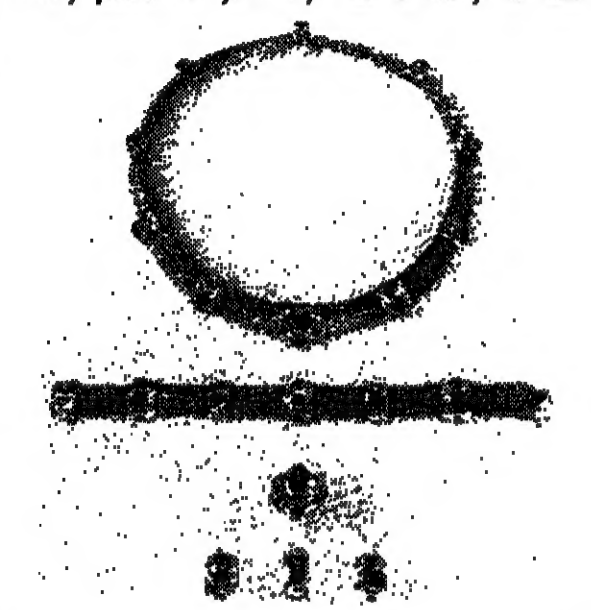
Evangelos Kouloumbis remained environment minister and was also given responsibility for public works and transport. He has eased unpopular restrictions on new construction.

YOUR GUIDE TO DINING WELL  
PATRICIA WELLS  
IN FRIDAY'S WEEKEND SECTION  
OF THE IHT

## DOONESBURY



Every piece of jewelry has a story to tell.



ilias LALAOUNIS

PARIS - 364, RUE ST-HONORE (PLACE VENDOME)  
GENEVA - "BON GENIE", ZURICH - "GRIDER"  
ATHENS - 6, PANEPISTIMIOU AVENUE  
HOTEL GRANDE BRETAGNE & ATHENS HILTON  
MYCONOS, CORFU, RHODES  
NEW YORK - 4 WEST 57 TH STREET & FIFTH AVENUE

## HIGH SCORE

PUNCTUALITY IS MORE THAN A PROMISE

AT AIR FRANCE WE TAKE SPECIAL PRIDE IN OUR RECORD FOR GETTING YOU TO YOUR DESTINATION ON TIME. OUR PERFORMANCE IS ONE OF THE FINEST IN THE INDUSTRY. BECAUSE WE KNOW THAT WHEN YOU TRAVEL, EVERY MINUTE COUNTS. THAT'S WHY EVERYONE AT AIR FRANCE IS CONTINUALLY WORKING TO IMPROVE OUR PERFORMANCE. WE'RE AIMING FOR A PERFECT SCORE.

**AIR FRANCE**  
WE'RE AIMING EVEN HIGHER

ON TIME

## AUCTION

SKYTOP BREWSTER & OTHER MAJOR MANUFACTURERS  
June 13-14 • 10 a.m.  
Houston, Texas  
(Skytop Brewster Yard, Conroe)  
United States of America

LARGE AMOUNTS OF NEW EQUIPMENT:  
Drawworks: Foster Catheads:  
Hydraulic Brakes: Masta/Crown  
Blocks: Gear Boxes: Axles: Truck Tires:  
Air Compressors: Tanks: Air Valves:  
Hydraulic Valves & Pumps: Roller Chocks:  
Diesel Engines: Diesel Generators: Free  
Trucks: Forklifts: Elevators: Sigs/Rangers:  
Swivels: Blowout Preventers: BOP Ac-  
cumulators: BOP Manifolds: BOP Ac-  
cessories: Mud Pumps/Power Units:  
Rotary Tables: Combination Choke/Tool  
House: Fuel Tank: Blocks: Hooks: Drill  
Pipe: Drill Collars: Bowen Equip:  
Cameron Drilling & Spacer Spoils:  
Shoes: Lath: Transmissions: Torque  
Converters: Clutches & Parts: TRW Mo-  
tion Equip: Misc. Equip.

For more information, phone  
214/687-4689, or Telex - 687-4259 DNI-  
NI DAL.

TERMS: Complete payment on date of  
sale with cash, U.S. Dollars, cashier's  
check, or Bank Letter of Credit.  
Everything sold AS IS. NO MINIMUM  
NO RESERVATION.

**OMNI**  
Auctioneers International, Inc.  
2000 Webster Road, Suite 100 • Dallas, TX 75201  
714 944-1000 • TELETYPE 714 944-1000 • FAX 714 944-1000

In Singapore  
our faultless service is only matched  
by our spectacular architecture.

THE PAVILION  
INTER-CONTINENTAL  
SINGAPORE



THE ADVANTAGE IS INTER-CONTINENTAL®

INTER-CONTINENTAL HOTELS

One Cuscaden Road 1024, 7338888, Telex: RS37248  
For reservations call: Hong Kong: 5-8440311/3,  
Tokyo: 2150777, Osaka: 2640666, or call your nearest  
Inter-Continental sales office.



## SCIENCE

## Turkish Excavations Indicate Pace of Early Culture

By John Noble Wilford

ARCHAEOLOGISTS have discovered the remains of 10,000-year-old stone buildings in southeastern Turkey that are believed to be among the earliest examples of formal architecture, and important evidence of rapid cultural changes when human societies moved from hunting and gathering to farming and living in villages.

Excavations of the three buildings revealed terrazzo floors, well-polished stone, a carving of a human face and pilasters for decorative rather than structural purposes. The craftsmanship so surprised the archaeologists that at first they thought they might have come upon some Greco-Roman ruins.

These discoveries were announced last week by the University of Chicago, Istanbul University in Turkey and Karlsruhe University in West Germany. Archaeologists from the institutions participated in the excavations, which were directed by Robert J. Braidwood of Chicago and Halet Canimoglu of Istanbul.

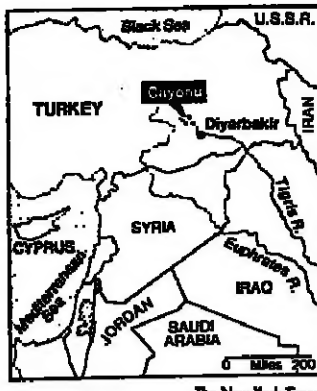
Dr. Braidwood, a professor emeritus at the Oriental Institute of the University of Chicago, said in a telephone interview, "What I think we have here is the first evidence

that changes began to happen much faster than we realized once people began controlling their own food supply through agriculture."

The age of the village was established through the standard carbon-dating process. Inside one building, apparently the oldest structure ever discovered that was erected for non-domestic purposes, the archaeologists uncovered a scene as mystifying as it was macabre. On the floors of two small rooms they found the burned tops of about 50 human skulls, presumably the remains of a death rite.

The presence of communal buildings with decorative flourishes, Dr. Braidwood said, suggested that the people living in the village had advanced to a level of "social complexity" not previously encountered in explorations of early agricultural societies. A culture that can afford the time and resources for ceremonial architecture, something that does not contribute directly to immediate and basic needs, shows that it has achieved success in supplying the needs of its population and has established some political organization.

Once the threshold was crossed from hunting-gathering existence to agriculture through domestication of plants and animals, which



The New York Times

occurred 10,000 to 12,000 years ago, scholars of prehistory thought cultural change had still proceeded at an exceedingly slow pace.

The site of the new discoveries is near the headwaters of the Tigris River, on the Anatolian plateau about 30 miles (50 kilometers) north of the city of Diyarbakir. The site is called Cayonu, short for a Turkish phrase for "little mound on the other side of the stream."

In 1963 archaeologists at Cayonu began uncovering the traces of domestic dwellings representing a 10,000-year-old settlement of early agricultural people. Their ethnic origins are still undetermined.

As early as 1970, scholars began to suspect that the people in that area had developed construction skills much more advanced than their nomadic forebears.

The building in which the skulls were found measured 26 feet by 23 feet (8 by 7 meters) and has a foundation of a local limestone that had been roughly finished. In the large room was a one-ton slab of well-polished stone not commonly found in the area. Two other buildings were of a similar size and craftsmanship.

Whether the purposes of these communal buildings was sacred or secular is not yet clear, Dr. Braidwood said.

But the architectural techniques used in their construction indicated to archaeologists that these people had these cultural attributes:

• A rudimentary use of measurement: The buildings were of the same size and faced in the same direction, south.

• An appreciation of decorative features: The buildings have pilasters placed on their walls for no apparent structural purpose. On the floor of the building with the terrazzo is a slab of limestone with an almost life-size human face carved on it.

• An understanding of pyrotechnology: The builders had learned how to make cement by burning limestone and then used the material in creating the terrazzo floor out of salmon-colored limestone and white marble chips.

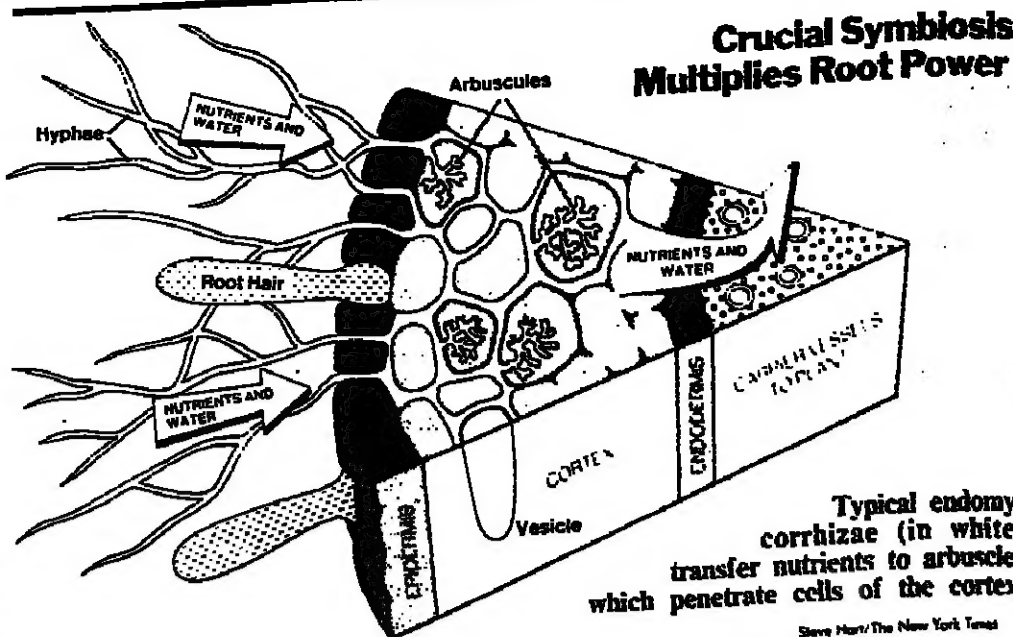
• A knowledge of polishing techniques: The builders used stone to rub and smooth the surface of the terrazzo.

In addition, the site yielded what

Dr. Braidwood said was the first substantial evidence of copper being worked into pins, hooks, drills and simple tools. The copper pieces had been cold-hammered, though there were indications that some of the material was heated before it was shaped.

All the skulls found at the site had been deliberately cut off just above the ears and blackened in fire. A pit in the floor of the same building contained leg bones cut off at the hip, other long bones and a lower jaw. The skulls tops and other bones are being analyzed at Ankara University.

Dr. Braidwood and his wife, Linda, a research associate at the Oriental Institute, plan to resume excavations at Cayonu this fall, digging even deeper for further glimpses into the human transition from hunting to farming.



Typical endomycorrhizae (in white) transfer nutrients to arbuscules which penetrate cells of the cortex.

Steve Hart/The New York Times

## Tiny Fungus Family Emerging as a 'Cornerstone' of Plant Life

By Erik Eckholm

New York Times Service

A LITTLE-KNOWN family of fungi that inhabits the roots of nearly all the world's plants is inspiring superlatives from an increasing number of scientific admirers.

The fungi can be found, says one biologist with only a little hyperbole, "on every grain of sand, in every gram of soil from the arctic to the tropics." Accounting for 15 percent of the weight of the world's plant roots, they make up the greatest mass of any group of microorganisms on Earth.

"They're the biological link between the plant world and the soil world," said Hugh Boller, vice president of NPL, a biotechnology company in Salt Lake City, Utah.

The fungi enter roots in symbiotic partnerships, called mycorrhizae, that send threadlike hairs out into the soil, multiplying the host plant's ability to gather nutrients by 10 times or more.

Their crucial role in sustaining rain forests on poor tropical soils is only now being uncovered. A recent report of the National Academy of Sciences called the fungus-root symbiosis "the cornerstone of mineral conservation by natural tropical forests."

Biotechnologists have begun to dream of finding — or creating in the laboratory — superstrains of fungi that could transform forestry and agriculture.

With research in its infancy, scientists already foresee all sorts of

practical applications. These include boosting yields of winter wheat, cutting the fertilizer needs of vegetables, restoring strip-mined land and raising cheaper Christmas trees. Third World scientists hope the advent of these fungi will permit the cultivation of huge infertile zones in the tropics and the regreening of burned-over rain forests.

Mycorrhizae is the term for the growths that result from mutually beneficial associations between plant roots and any of hundreds of species of mycorrhizal fungi. There are two main types.

Ectomycorrhizae are hairy mantles that form outside the surface and between the cells of the roots of many conifers and some hardwoods; some send mushrooms or puffballs above ground during their life cycle.

Far more common and present in most crops are endomycorrhizae, which grow inside the root cells and send microscopic strands known as hyphae outside the root wall to suck in water and nutrients.

The filaments extend up to 3 inches (7.5 centimeters) into the soil, often increasing the plant's effective root surface by 10 times. They contribute especially to the uptake of phosphorus, one of the major nutrients needed by plants, and of such trace elements as copper and zinc. The extra hairs extend the plant's reach and also break down insoluble minerals that would otherwise be unavailable.

Experiments have shown that in addition to enhancing nutrition, the fungal partnership increases plant resistance to drought, salinity, acidity and diseases.

In the 1970s, as the unheralded services these "biotic fertilizers" provide were recognized, some scientists predicted an agricultural revolution. Several corporations funded mycorrhizal research. But improving on nature has proved difficult.

For now, according to John A. Menge of the University of California at Riverside, commercial use of the fungi is feasible in three specialized areas. First, inoculation of seedlings with the fungi can promote revegetation of sites such as strip mines and roadsides, where natural fungus populations have been destroyed.

Second, the fungi can be added to soils in nurseries and orchards where fumigation, often required to kill pests, has also suppressed the fungi. Some citrus nurseries already apply the microorganisms, but numerous other fruits and vegetables grown in fumigated soils may also benefit from the procedure.

## Chinese Stamps Raise Revenue For Aid to Pandas

The Associated Press

BEIJING — The Chinese government has donated 100,000 yuan (\$35,000) for rescue work to save the endangered panda, the official Xinhua news service reported.

The money was raised by the Posts and Telecommunications Ministry from the sales of four commemorative stamps issued on May 25 that depict pandas, Xinhua said Tuesday.

Li Guiling, secretary general of the Chinese Wildlife Conservation Association, was quoted as saying 41 sick pandas were found last year, with 26 nursed back to health and 15 dying.

There are an estimated 1,000 giant pandas threatened by a rare flowering cycle of their main staple, the arrow bamboo. The bamboo began to blossom and then to wither in 1983 over large areas where pandas live.

Third, where greenhouse plants are grown in sterilized artificial soils, the application of mycorrhizae could cut the often heavy requirements for fertilizer and water. The current costs of applying the fungi or their equivalent in chemical fertilizers are about equal, but prices should shift in favor of the fungi.

Hoping to find wider agricultural uses, researchers are sorting through known species of the fungus, searching for strains that produce more filaments faster or that can better tolerate hot, cold, dry, acidic or other stressful conditions.

Winter wheat, for example, which is planted in the fall for harvest the next summer, derives little benefit from the fungi because it does not become infected with them until late spring. The fungus species naturally associated with Great Plains wheat cannot function in cold temperatures, Barbara Hetrick of Kansas State University has discovered.

Dr. Hetrick is searching for fungus varieties that can withstand lower temperatures and that could, if injected along with the seeds, give young wheat plants an extra boost.

About 100 different species of endomycorrhizal fungi have been named, eight or nine have been discovered each year and hundreds more are believed to live in the tropics. The qualities of only about half a dozen have been seriously investigated to date, according to Mr. Menge. Several hundred species of ectomycorrhizal fungi have been identified.

Eventually, superstrains of the fungi may be created by gene splicers.

"With genetic engineering, I think we could do all sorts of miraculous things," said Mr. Menge. "We could probably even create mycorrhizae that fix nitrogen. But until we can test them it's just talk."

Work on genetic manipulation

## Cancer Fighter Moving Toward Human Trials

New York Times Service

NEW YORK — A rare natural substance that has excited international interest because of its apparent ability to destroy cancer cells without harm to normal tissues will probably be tested in humans for the first time this year, scientists report.

The substance is called tumor necrosis factor. It was discovered 10 years ago by researchers at Memorial Sloan-Kettering Cancer Center here and is thought to be a key part of the body's natural defenses. Although it is found only in minute amounts in living animals and humans, the substance is now being produced artificially by gene-splicing techniques, a recent development that promises to make available a large supply.

Cancer scientists and spokesmen for biotechnology companies say their main hope is that tumor necrosis factor will prove to be a powerful anti-cancer agent with low toxicity. Conventional cancer chemotherapy is often almost as damaging to normal tissue as it is to the cancer.

Dr. Herbert F. Oetting of Memorial Sloan-Kettering expressed a mixture of caution and hope. He said it would be worthwhile to test both the biosynthetic material and natural tumor necrosis factor to see if their effects are the same. The first clinical trials, he said, should involve cancer patients who cannot be treated successfully with any conventional methods and yet whose diseases are not so far advanced as to make any treatment nearly hopeless.

## Crucial Symbiosis Multiplies Root Power

has stalled, pending development of government guidelines to regulate field experiments. Since the fungi are so universal, associating with weeds as well as crops, some fear that a runaway superstrain could wreak ecological havoc — creating, say, a self-fertilizing crabgrass or other weed. But scientists believe they will be able to develop safeguards against such disasters.

"At this point it's not really necessary to play with genes," Mr. Boller said. "There may be some fantastic varieties out there in nature."

A huge impediment to research has been the inability of scientists to grow endomycorrhizal fungi, the most common type, in a pure culture in the laboratory.

"The fungus gets something from the plant that we can't duplicate in a petri dish," lamented Dr. Hetrick. Instead, symbiotic associations must be nurtured on the roots of living plants, a cumbersome, expensive and time-consuming process.

Finding a way to culture the fungi independently "is the Mount Everest of mycorrhizal research," said a British expert, Barbara Mosse.

In contrast, the biologically simpler ectomycorrhizal fungi, found on pines, other conifers and some hardwoods such as oaks, can be cultured. This is one reason why they are already in limited commercial production for application by tree planters.

In the late 1960s researchers in Pennsylvania studying the revegetation of coal mine wastes noticed a certain type of puffball sprouting around the healthier trees. These turned out to be shoots of an extraordinary species of ectomycorrhizae that flourishes even in harsh, acidic soils.

Infected with this species, trees planted on mine wastes are three times as likely to survive, according to Charles E. Cordell of the U.S. Forest Service. A private company now markets the fungus, and more than 1,000 acres (400 hectares) of strip-mined land in Ohio and other states have been regreened with its help. Timber companies are examining the merits of inoculating their seedlings with this fungus, Mr. Cordell said.

The association of plant roots with mycorrhizal fungi was first described at the turn of the century. Gradually, botanists discovered just how ubiquitous the phenomenon is. But its importance to plant welfare was not widely known until recently.

"Even 10 years ago, many soil scientists wouldn't admit that mycorrhizae had any effect on plant nutrition," said Mr. Menge. "Now they agree that plants pick up 90 percent of their phosphorus by this route."

## IN BRIEF

## Ceramic Bone Substitute Used in Ears

MIAMI (NYT) — A ceramic substitute for natural bone, called Bioglass, has been used for the first time to repair the middle ears of human patients. Dr. Gerald Merwin of the University of Florida Health Science Center reported.

Implants of Bioglass in the ears of 16 patients in the previous 14 months resulted in good to excellent improvement in hearing, he told a recent meeting of the American Otological Society in Miami. Bioglass is a transparent ceramic material invented by Dr. Larry Hench of the University of Florida.

Because the substance resists rejection by living organisms and bonds with natural tissue, it has found widespread use in bone implants, particularly in the repair of hip and thigh bones. It is also a candidate material for implanted tooth replacements.

## Illinois Nuclear Accelerator Starts Up

ARGONNE, Illinois (AP) — The ATLAS, for Argonne Tandem-Linear Accelerator System, a \$20-million nuclear accelerator, has begun operating.

The accelerator strips atoms of some or all of their electrons and accelerates them to more than 30,000 miles (48,280 kilometers) a second. Then the nuclei of the atoms are smashed into each other. Scientists at the Argonne National Laboratory, operated by the University of Chicago for the U.S. Energy Department, use sophisticated detectors to observe those collisions, hoping to learn more about atomic behavior.

Officials said one practical use for ATLAS is to have streams of speeding atoms drill microscopic holes in a screen for purifying blood. The holes in the screen trap diseased blood cells, but allow normal cells to pass through. ATLAS can also measure rare forms of naturally occurring radioactive elements that disappear over time, allowing scientists to determine the age of fossils. The same method can be applied to fix the ages of polar ice caps, meteorites and geographical features, such as lakes and rivers.

## Heart Disorder in Fetuses Is Treated

NEW YORK (AP) — A potentially fatal form of irregular heartbeat in fetuses has been successfully treated by giving medicine to their mothers, according to Dr. Charles Kleinman, associate professor of pediatrics at the Yale University School of Medicine.

Digitalis alone or in combination with verapamil or propranolol was given to the mothers and ultrasound scans were used to monitor fetal response, Dr. Kleinman said. Of 15 fetuses so treated, the heartbeats of 14 returned to normal in the womb and no recurrences were reported in 29 years after birth, he said.

Dr. Kleinman said the disorder treated, known as supraventricular tachycardia, stemmed from a defect in the system that regulates heartbeat, rather than from structural problems in the heart. If not treated, it could lead to such conditions as congestive heart failure, in which the heart is unable to pump out all the blood returned to it, and to bleeding disorders and infection.

## Sailing Tanker Improves Fuel Savings

TOKYO (AFP) — The 26,000-deadweight-ton Usuki Pioneer, the first sail-equipped ocean-going bulk carrier, has returned encouraging fuel saving figures and has proven its stability in its first commercial trans-Pacific voyage, its designers said.

The Japan Marine Machinery Development Association reported that the voyage, from November 1984 to January, took the ship through the stormy seas of the northern Pacific, where wind speeds average between 11 to 45 mph (18 to 72 kph) in winter.

The association had anticipated fuel savings from the sails in the region of 10.5 percent, but the ship's performance showed savings of nearly double this figure, or 20.5 percent, the report said. The ship's two computer-controlled parallel aerofoil type sails were used for about 72 percent of the voyage against the 70.5 percent originally planned.

## Agency Cautions on Cigarettes

ATLANTA (AP) — Cigarette smokers, smoked by more and more young Americans, cause the same heart and lung diseases as conventional cigarettes and may cause other problems as well, according to The Centers for Disease Control.

The health agency said it has received reports of 12 people with severe respiratory illness possibly associated with smoking clove cigarettes, which contain the spice as well as 60 percent tobacco. Symptoms included coughing up blood, spasmodic lung contractions and fluid in the lungs, sometimes within hours after smoking the cigarettes. Milder symptoms include nausea, angina, respiratory infections and chronic cough.

Eugenol, the major active ingredient in cloves, is used as a dental anesthetic. Dr. Sue Binder, a researcher with the agency, pointed out that there was not yet sufficient evidence to determine what health effects may be associated with it. U.S. sales of clove cigarettes, which are imported from Indonesia, increased from 12 million in 1980 to 150 million in 1984. Most purchasers are between 17 and 30 years old, the agency said in its Morbidity and Mortality Weekly Report.



6 GREAT NAMES IN THE ARTS OF THE TABLE HAVE CHOSEN

**MADRONET**

34, rue de Paradis - 75010 PARIS

so that your table may be unique

*The Grand Hotel in the Mountains*

Tennis courts and coach • Indoor golf Putting green • Indoor swimming pool Solarium • Sauna • Massage • Bridge ... relax an let us spoil you

Chair-lift to the Suvretta excursion area Surfing • Sailing • Mountain climbing Riding • 18 holes Engadine golf course.

**Suvretta House - St. Moritz**

Phone 082 21121 Telex 74491 R. F. Müller, Mgr.

BOTTLED IN SCOTLAND

**WILLI LAWSON**

*Finest Blend*

**Scotch Whisky**

WILLIAM LAWSON DISTILLERS

COATBRIDGE AND MIDLOTHIAN

SCOTLAND

100% SCOTCH WHISKY

BOTTLED, MATURED AND BOTTLED UNDER BRITISH GOVERNMENT

**The measure of excellence**

**SKY CHANNEL**

BROADCASTING TO CABLE COMPANIES IN EUROPE & THE UK VIA SATELLITE

"Europe's Best View"

PROGRAM, THURSDAY 6th JUNE UK TIMES

13.35 MOVIE ON	18.00 THE LUCY SHOW
14.30 WAYNE & SHUSTER	18.30 CHARLIE'S ANGELS
15.45 SKY TRAX 1	19.20 SKYWAYS
16.30 SKY TRAX 2	20.10 THE UNTOUCHABLES
17.30 MR ED	21.05 DAVIS CUP TENNIS
	22.00 SKY TRAX

SKY CHANNEL TV ADVERTISING SELLS PRODUCTS FAST - FOR MORE INFORMATION, RATES, MARKETING & AUDIENCE DATA CONTACT SKY CHANNEL SALES, SWAN HOUSE, 17-19 STRATFORD PLACE, LONDON W1N 9AF TEL: LONDON (01) 493 1166 TELEX: 268395.



AMEX prices	P.11	Exchange rates	P.13
AMEX high/low	P.11	Flint rate	P.11
NYSE prices	P.8	Gold prices	P.7
NYSE high/low	P.10	Interest rates	P.7
Commodity prices	P.14	Market summary	P.13
Currency rates	P.7	Options	P.13
Commodities	P.13	OTC stock	P.12
Dividends	P.13	Other markets	P.14

THURSDAY, JUNE 6, 1985

## WALL STREET WATCH

### Battle Lines Are Drawn On Defense-Stock Outlook

By EDWARD ROHRBACH

PARIS — Like Clint Eastwood's peculiarly amused character "Dirty Harry," the Reagan administration is strong on defense. Investors, too, have made their day in the sector, up almost double the Dow average so far this year. Opinion is divided, however, over how much more the stocks can throw their weight around, with apparently no real growth ahead now for the U.S. defense budget.

"Basically, the United States has been rearm," observed Alan Benasuli, who covers the industry for Drexel Burnham. "The military cycle, which dates back to 1978, is tired. Backlogs and margins are peaking."

While recommending that investors "take profits on any strength" that the pure-military issues show, with the exception of General Dynamics, he emphasized "a new element more important than the military cycle or fundamentals."

"There's a tremendous restructuring and consolidation wave rippling through the industry," he said. "At least 10 companies in the past year have been bought or are in the process of being bought. There's a new deal every week. It's where the action is."

Some analysts see a war of attrition ahead for defense stocks.

M. R. Benasuli admitted he does not know "where lightning will strike," but thinks it is a worthwhile game for investors to play, because of the 30 to 50 percent premium to shareholders in a takeover.

He suggests a package of stocks, notably in the defense electronics field where growth is faster and the companies smaller. Watkins-Johnson heads his list, coupled with Loral & Sanders Associates. He also sees acquisition possibilities among the defense suppliers, citing SPS Technologies, Precision Castparts, Rohr Industries, Hexcel and Moog.

Raytheon is the "most attractive" of the stocks he does not think are merger targets. "Earnings are re-accelerating and military backlogs are rising," he said. "Also, not too many people like Raytheon, so there's room for it to be bought."

However, George Shapiro of Salomon Brothers sees defense issues, particularly the large prime contractors, moving forward on Wall Street across a broad front. He has been strongly recommending the group for six weeks.

"Valuations are cheap and fundamentals are firmly entrenched, even with a no-growth defense budget," he asserted. "Enough funds have been appropriated to keep backlogs growing for several years. Over the next six months earnings will be very strong in the group, against a backdrop of poor profits being reported elsewhere in the economy."

Price/earnings ratios of defense stocks relative to the rest of the stock market are selling now at a 30-percent discount, Mr. Shapiro said, "at the low end of their historical range, with some issues discounted closer to 40 percent."

His favorite valuation play is McDonnell Douglas. United Technologies and Boeing are the second and third choices. Also at current price levels he likes Lockheed, General Dynamics and Northrop.

Paine Webber's Joseph Campbell perceives defense stocks caught in a kind of no-man's-land. He is not strongly recommending any, although Lockheed, Rockwell and Northrop are rated "attractive."

"It's unclear now what the public will be willing to pay for these stocks," he said, pointing out that the price pattern has been for the issues to recover sharply in the summer and fall after all the fighting words are spent in Congress in the first months of the year about slashing the defense budget.

"But in 1985 that may not happen," he added. "The usual (Continued on Page 9, Col. 3)

## Currency Rates

Currency	Rate	Currency	Rate	Currency	Rate
Australian dollar	1.2575	Japanese yen	163.25	Swiss franc	1.4875
Belgian franc	36.25	West German mark	1.3625	U.S. dollar	1.0000
British pound	1.5575	Yen	163.25		
Canadian dollar	0.7575				
French franc	6.5575				
Italian lira	1.3625				
Spanish peseta	166.50				
Swedish krona	4.6625				
Swiss franc	1.4875				
U.S. dollar	1.0000				

Source: Reuters. (Continued on Page 9, Col. 3)

## Interest Rates

Rate	Rate	Rate	Rate
1 month	7 1/4%	3 months	7 1/4%
6 months	7 1/4%	1 year	7 1/4%
2 year	7 1/4%	3 year	7 1/4%
4 year	7 1/4%	5 year	7 1/4%

Rate	Rate	Rate	Rate
1 month	7 1/4%	3 months	7 1/4%
6 months	7 1/4%	1 year	7 1/4%
2 year	7 1/4%	3 year	7 1/4%
4 year	7 1/4%	5 year	7 1/4%

## Markets Closed

Financial markets were closed Wednesday in Malaysia and Denmark for holidays. In West Germany, they will be closed Thursday for a holiday.

## Exchange Voting Is Split

### Ownership Rule Changes in U.K.

By Colin Chapman

LONDON — Members of London's Stock Exchange on Wednesday approved a change of rules allowing international financial companies and other outsiders to purchase full control of stockbroking and trading firms.

But they did not give the necessary 75-percent support to a constitutional amendment to the rules that would permit the gradual shift of ownership of the exchange from the 4,495 members to firms or companies. The change would have allowed shares in the exchange to be freely traded.

Some leading exchange members said that the defeat would not seriously impair the exchange's restructuring, which is centered on a plan to introduce competitive commission rates rather than fixed charges by late next year.

"It's not a tremendous upheaval," said Ron Brew, chief executive of the stockbrokerage of Greaves, Grant & Co. "It's just messy. Some genius will now have to come up with a better idea."

The split outcome means that the exchange must find ways for large institutions to nominate individuals as members without there being a clear market in exchange memberships.

About 82 percent of those voting supported the change in ownership and control of member firms, with 3,929 voting in favor and 681 against. This vote ends a rule limiting outsiders to a 29.9-percent share in member firms. Most of Britain's larger stockbrokers already have agreed to be purchased by banks and other outsiders.

The result was seen as only a (Continued on Page 13, Col. 7)

## Study Says Distortions Curb Third World Growth

By Carl Gewirtz

PARIS — "A legacy of economic distortions" is the main reason most developing countries will fail to reach real, or inflation-adjusted, growth rates of up to 7 percent or more over the long run that should otherwise be possible, says a report issued Wednesday by the Group of Thirty.

The report was written by Professor Helen Hughes, a former senior official at the World Bank who is now executive director of the Development Studies Center at Australian National University. The Group of Thirty is a nonprofit organization which explores the basic problems in the functioning of the international economic system.

The outspoken study on why some developing countries have grown rapidly while others have not links failure to ideologically inspired distortions, notably through over-planning and regulation, that foster "inward-looking" strategies. Success is seen to flow from flexible, market-oriented policies which produce export-oriented economies.

"More rapid and sustained growth cannot be accomplished without profound ideological

## Packaging Assets for Capital Financings

Issuer and Description	Investment Banker	Size and Issue Date
Sperry Lease Financial Corp. Leases backed by computer leases	First Boston Corp.	\$192 million 3/7/85
IP Timberlands Ltd. International Paper Co.'s Units of limited partnership interests.	Dean Witter Reynolds	\$57.5 million 3/7/85
Firststate Retail Credit Corp. 90-day commercial paper.	Merrill Lynch Capital Markets	\$140 million 6/8/84
Mill Car Finance Inc. (Marine Midland Bank) Inc. Certificates allocated to investors to purchase and refinance	Salomon Brothers	\$80 million 5/15/85

\*Underwriters will share in 95% of revenues and costs of underwriting and sales through 12/31/86 and 4% thereafter.

## Securitization: Regrouping Assets To Create New Sources of Money

By Fred R. Bleakley

NEW YORK — A decade or so ago, when banks and thrift institutions were awash with mortgages, someone decided to group the mortgages into pools and then sell shares in those pools. The technique gave bankers the cash to write still more mortgages and it created a new security that ordinary investors could buy and sell.

These days, increasing numbers of companies and financial institutions are raising money by devising novel equivalents of the mortgage pools and selling them to the public.

Sperry Corp. recently borrowed \$192 million with debt backed by leases on computers. The regular rental payments from companies leasing the Sperry computers go to pay down the debt.

Several big banks have sold pools of automobile loan receivables. The banks continue to service the loans, but principal and interest are passed through to investors.

International Paper Co. has put certain timber properties in trust and is selling participations. The buyers get a portion of revenues from timber cutting, plus tax advantages traditionally enjoyed in the timber business.

UAL Inc., the parent of United Airlines, announced last Friday that it would spin off some of the hotels it owns into partnership trusts to be sold to the public. Investors in the trusts would share what the hotels earned.

In one variety or another, all this is called the "securitization" of assets, and the process is "the hot new game in creative financing," said M. William Benedetto, director of investment bank-

ing at Dean Witter Reynolds Inc. "The mind boggles at the number of things you can do."

Indeed, among the other possibilities that Wall Street already is working on are pools of small business bank loans, credit card receivables and natural resource properties.

"By going down the balance sheet, asset by asset, companies and financial institutions are able to open up a whole new field for funding," added Gordon B. Pattee, a managing director of Merrill Lynch Capital Markets.

Asset-based financing has been around for years, but has been largely the province either of troubled companies hard-pressed to raise cash quickly or of commercial banks selling business loans to one another. Banks and automobile finance companies have for some time packaged pools of car loans for sale, but their efforts focused on private sales to institutional investors.

Investment bankers credit a ruling by the Financial Accounting Standards Board that took effect at the start of last year with spurring the current boom in asset financing. Although the subject now is being re-examined by the FASB, the rule-making body of the accounting profession, the board detailed the steps necessary to undertake this type of financing, much of which is not reflected on the balance sheet.

The ability to raise cash that otherwise might not be available — or available at comparable cost — is based on the principle that, in general, the parts are worth more than the whole.

Instead of asking investors to evaluate the overall strength of a company's balance sheet, (Continued on Page 9, Col. 3)

## Spot Oil Prices Weaken as U.K. Cuts Its Quote

Reuters

LONDON — Free market oil prices continued to weaken Wednesday as Britain's state-owned oil corporation announced an expected cut of \$1.25 a barrel in the price of the key Brent blend of North Sea oil.

Despite weak prices on the spot market, however, traders say other producers outside the Organization of Petroleum Exporting Countries are hesitant to make a move. The recent severe fall in spot, or non-contract, prices has increased pressure on the Soviet Union, Mexico and Egypt to grant substantial price cuts to contract customers.

British National Oil Corp. said it would cut the price it pays to suppliers for Brent blend to \$26.65 a barrel from \$27.90, reflecting steadily falling rates on the European spot market. On Wednesday buyers offered \$26.20 for a barrel of the same blend delivered next month, compared with \$26.35 a barrel Tuesday.

The corporation's monthly supplier prices are based on the average price received for sales during the preceding month. Industry estimates of the volume of crude oil covered by the new supplier price for June varied from 120,000 barrels per day to 300,000 barrels per day. Britain's North Sea oil output is now about 2.7 million barrels a day.

Traders said the price cut would have little impact on the market as the British government has announced the impending closure of the corporation, which is now winding down its operations and trading a much smaller volume of oil than before.

Meanwhile, industry sources reported that Saudi Arabia, its oil output at a 15-year low, has threatened to use its huge oil market muscle as OPEC's largest producer to bring into line members of the organization that are exceeding their quotas or cutting their prices.

Oil ministers and delegates who attended OPEC's ministerial council in Taif, Saudi Arabia, this week said there was a clear warning that Saudi Arabia was tired of cutting back on output while others exceeded OPEC quotas and cut prices. One delegate said King Fahd of Saudi Arabia told the meeting in a message that "if some OPEC producers sell as much oil as they can at any price, then others will also be free to do as they please."

Occidental said the two companies expect the closing to be on or about July 1.

It said the sale involves all of the stock of Occidental's Columbia-Cities Service Petroleum Corp. subsidiary, which owns 50 percent of Occidental's interest in an association contract in the Crabo Norte block.

Occidental said the two companies expect the closing to be on or about July 1.

It said the sale involves all of the stock of Occidental's Columbia-Cities Service Petroleum Corp. subsidiary, which owns 50 percent of Occidental's interest in an association contract in the Crabo Norte block.

Occidental said the two companies expect the closing to be on or about July 1.

It said the sale involves all of the stock of Occidental's Columbia-Cities Service Petroleum Corp. subsidiary, which owns 50 percent of Occidental's interest in an association contract in the Crabo Norte block.

Occidental said the two companies expect the closing to be on or about July 1.

It said the sale involves all of the stock of Occidental's Columbia-Cities Service Petroleum Corp. subsidiary, which owns 50 percent of Occidental's interest in an association contract in the Crabo Norte block.

Occidental said the two companies expect the closing to be on or about July 1.

It said the sale involves all of the stock of Occidental's Columbia-Cities Service Petroleum Corp. subsidiary, which owns 50 percent of Occidental's interest in an association contract in the Crabo Norte block.

## Andrew Peck Associates Brings U.S. Discount Brokerage Across the Atlantic—to London.

A SAMPLE OF OUR VERY LOW COMMISSION RATES	
500 shares of any price stock	\$ 80
1,000 shares	110
5,000 shares	300
10,000 shares	450
20 options @ 1/2	53
50 options @ 3	180

If you make your own investment decisions, Andrew Peck Associates will charge you much less in commission when you trade or invest in U.S. securities and options markets.

Our London office gives you the convenience of a U.S. discount broker to contact during your business day. Your calls are answered promptly and executed orders are reported immediately. And you can make payments and deliveries to your account without sending securities or funds to the United States.

Accurate record keeping and custodial services are provided by Securities Settlement Corporation, one of The Travelers Companies. The Travelers is the third largest publicly owned insurance company in the U.S., and every account is protected for up to 10 million dollars.

Our London office is ready to receive your inquiries. Please call us or return the coupon to receive our free brochure "SIMPLIFIED TRADING." We look forward to hearing from you.

**ANDREW PECK ASSOCIATES, INC.**

39 Bedford Square, London WC1B 3EG, England (01) 580-1096 Telex: 8812130 (MCLEIS G)  
32 Broadway, New York, N.Y. 10004 (212) 363-3770 Telex: 429097 (STOCKS)  
Licensed dealer in securities

☐ Please send me your SIMPLIFIED TRADING brochure.

Name \_\_\_\_\_

Address \_\_\_\_\_

Country \_\_\_\_\_

IBT-1

MEMBERS: NASD, SIPC, SIA

**CORUM**

The famous Corum Coin Watch. A precious ultra-thin quartz movement inserted between the two halves of a genuine \$20 gold coin. Water-resistant. In ladies' versions too. A subtle touch; each Corum Coin Watch has a pure diamond set in the crown.

Corum watches are on view at the finest jewellers. For the address of the one nearest you or for a brochure, write or phone to: Messrs. S.A. Michel Niquard, 177, Bd de Calais, 94100 Saint-Maur, tel. 1.68.96.36 - Germany, Austria, Holland, Helmut Teren GmbH, Heinrich-Heine-Allee 4, D-4000 Düsseldorf, tel. 0211.320.446 - Great Britain, Saunders & Shepherd Ltd., 1, Bleeding Heart Yard, Greville Street, London EC1N 6SL, tel. 01-405.3646 - Italy, Corum Italia di Antonio Meda, Folz, Via Tito Vignoli 44, 20146 Milan, tel. 242.77.93. Other countries, CORUM, 200 La Chaux-de-Fonds, Switzerland, tel. 39 28 66 66.



NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
IBM	114.00	113.00	113.00	-1.00	
AT&T	102.00	101.00	101.00	-1.00	
GE	100.00	99.00	99.00	-1.00	
AMT	100.00	99.00	99.00	-1.00	
IBM	114.00	113.00	113.00	-1.00	
AT&T	102.00	101.00	101.00	-1.00	
GE	100.00	99.00	99.00	-1.00	
AMT	100.00	99.00	99.00	-1.00	

Dow Jones Averages					
Open	High	Low	Last	Chg.	
Index	1238.56	1231.77	1231.77	-6.79	
Trans.	140.00	139.00	139.00	-1.00	
Ind.	144.00	143.00	143.00	-1.00	
Comp.	145.00	144.00	144.00	-1.00	

NYSE Index					
Open	High	Low	Last	Chg.	
Index	1238.56	1231.77	1231.77	-6.79	
Trans.	140.00	139.00	139.00	-1.00	
Ind.	144.00	143.00	143.00	-1.00	
Comp.	145.00	144.00	144.00	-1.00	

Wednesday's  
**NYSE**  
Closing

Vol. of 3 P.M. 12,862,000  
Prev. 3 P.M. vol. 12,370,000  
Prev. consolidated close 12/21/79

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
Via The Associated Press

AMEX Diaries					
Class	Prev.	Chg.	Vol.	High	Low
Advanced	312	309	100	312	309
Declined	100	99	100	100	99
Unchanged	100	100	100	100	100
New High	100	100	100	100	100
New Low	100	100	100	100	100

NASDAQ Index					
Week	Year	Open	High	Low	Close
Composite	1985	200.00	200.00	200.00	200.00
Industrials	1985	200.00	200.00	200.00	200.00
Finance	1985	200.00	200.00	200.00	200.00
Insurance	1985	200.00	200.00	200.00	200.00
Utilities	1985	200.00	200.00	200.00	200.00
Telecom	1985	200.00	200.00	200.00	200.00
Biotech	1985	200.00	200.00	200.00	200.00
Software	1985	200.00	200.00	200.00	200.00
Hardware	1985	200.00	200.00	200.00	200.00
Services	1985	200.00	200.00	200.00	200.00
Real Estate	1985	200.00	200.00	200.00	200.00
Commodities	1985	200.00	200.00	200.00	200.00
Metals	1985	200.00	200.00	200.00	200.00
Energy	1985	200.00	200.00	200.00	200.00
Transportation	1985	200.00	200.00	200.00	200.00
Healthcare	1985	200.00	200.00	200.00	200.00
Media	1985	200.00	200.00	200.00	200.00
Telecom	1985	200.00	200.00	200.00	200.00
Biotech	1985	200.00	200.00	200.00	200.00
Software	1985	200.00	200.00	200.00	200.00
Hardware	1985	200.00	200.00	200.00	200.00
Services	1985	200.00	200.00	200.00	200.00
Real Estate	1985	200.00	200.00	200.00	200.00
Commodities	1985	200.00	200.00	200.00	200.00
Metals	1985	200.00	200.00	200.00	200.00
Energy	1985	200.00	200.00	200.00	200.00
Transportation	1985	200.00	200.00	200.00	200.00
Healthcare	1985	200.00	200.00	200.00	200.00
Media	1985	200.00	200.00	200.00	200.00

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
IBM	114.00	113.00	113.00	-1.00	
AT&T	102.00	101.00	101.00	-1.00	
GE	100.00	99.00	99.00	-1.00	
AMT	100.00	99.00	99.00	-1.00	

Dow Jones Bond Averages					
Prev. Close	Today's High	Today's Low	Today's Last	Today's Chg.	
Bonds	77.00	76.00	76.00	-1.00	
Utilities	77.00	76.00	76.00	-1.00	
Industrials	77.00	76.00	76.00	-1.00	

NYSE Diaries					
Class	Prev.	Chg.	Vol.	High	Low
Advanced	312	309	100	312	309
Declined	100	99	100	100	99
Unchanged	100	100	100	100	100
New High	100	100	100	100	100
New Low	100	100	100	100	100

Odd-Lot Trading in N.Y.					
Buy	Sell	Vol.	High	Low	Chg.
June 5	19,511	32,358	2,647	114.00	113.00
June 6	19,511	32,358	2,647	114.00	113.00
June 7	19,511	32,358	2,647	114.00	113.00
June 8	19,511	32,358	2,647	114.00	113.00
June 9	19,511	32,358	2,647	114.00	113.00
June 10	19,511	32,358	2,647	114.00	113.00
June 11	19,511	32,358	2,647	114.00	113.00
June 12	19,511	32,358	2,647	114.00	113.00
June 13	19,511	32,358	2,647	114.00	113.00
June 14	19,511	32,358	2,647	114.00	113.00
June 15	19,511	32,358	2,647	114.00	113.00
June 16	19,511	32,358	2,647	114.00	113.00
June 17	19,511	32,358	2,647	114.00	113.00
June 18	19,511	32,358	2,647	114.00	113.00
June 19	19,511	32,358	2,647	114.00	113.00
June 20	19,511	32,358	2,647	114.00	113.00
June 21	19,511	32,358	2,647	114.00	113.00
June 22	19,511	32,358	2,647	114.00	113.00
June 23	19,511	32,358	2,647	114.00	113.00
June 24	19,511	32,358	2,647	114.00	113.00
June 25	19,511	32,358	2,647	114.00	113.00
June 26	19,511	32,358	2,647	114.00	113.00
June 27	19,511	32,358	2,647	114.00	113.00
June 28	19,511	32,358	2,647	114.00	113.00
June 29	19,511	32,358	2,647	114.00	113.00
June 30	19,511	32,358	2,647	114.00	113.00

Vol. of 3 P.M. 12,862,000  
Prev. 3 P.M. vol. 12,370,000  
Prev. consolidated close 12/21/79

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
Via The Associated Press

Standard & Poor's Index					
High	Low	Close	Today's High	Today's Low	Today's Close
Industrials	100.00	100.00	100.00	100.00	100.00
Trans.	100.00	100.00	100.00	100.00	100.00
Utilities	100.00	100.00	100.00	100.00	100.00
Comp.	100.00	100.00	100.00	100.00	100.00

AMEX Sales					
3 P.M. volume	Prev. 3 P.M. volume	Prev. consolidated close	Today's High	Today's Low	Today's Close
12,862,000	12,370,000	12/21/79	114.00	113.00	113.00

AMEX Stock Index					
High	Low	Close	Today's High	Today's Low	Today's Close
211.34	210.00	210.00	211.34	210.00	210.00

12 Month High Low Stock Div. Yld. PE St. 100 High Low Close Chg.											
220	16	AAR	19%	19%	19%	19%	19%	19%	19%	19%	19%
210	15	AOS	19%	19%	19%	19%	19%	19%	19%	19%	19%
200	14	AMR	19%	19%	19%	19%	19%	19%	19%	19%	19%
190	13	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
180	12	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
170	11	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
160	10	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
150	9	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
140	8	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
130	7	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
120	6	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
110	5	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
100	4	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
90	3	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
80	2	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
70	1	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
60	0	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
50	0	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
40	0	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
30	0	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
20	0	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
10	0	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%
0	0	AMT	19%	19%	19%	19%	19%	19%	19%	19%	19%

## Volume Widens on NYSE

NEW YORK — The New York Stock Exchange was above its record closing high late Wednesday in heavy volume, aided by lower interest rates, a cut in crude oil prices and prospects for low inflation.

The Dow Jones industrial average was up 8.07 to 1,233.36 about an hour before closing. Advances led declines by a 3-2 ratio among the 1,976 issues traded.

Five-hour Big Board volume amounted to about 118.3 million shares, compared with about 92.4 million in the same period Tuesday.

New closing highs for the New York Stock Exchange composite index and Standard & Poor's 500-stock index established Tuesday prompted early buying, analysts said.

Although it was expected, British National Oil's cut in the price of Brent crude by \$1.25 a barrel pushed bond prices ahead on the rationale that the lower oil prices will help keep inflation low. The falling interest rates renewed the vigor of the stock market's climb, analysts said.

"Stocks are playing catch-up with the bond market," said Peter Furniss of Drexel Burnham Lambert. The extended rally in the credit markets, especially over the last month, and consequent mortgage rate declines confirm a lower interest rate environment, he said.

Mr. Furniss said that the lower interest rates coupled with expectations for lower oil prices with low inflation bodes well for stocks. Lower yields on fixed-income securities also may encourage some people to take their profits in bonds and get back involved in equities, he said.

Mr. Furniss noted that some institutional investors remain concerned that the cause for the lower interest rates is a weakening economy. But he said that the rates show the Federal Reserve is taking "positive action" to aid the economy. He said that another discount-rate cut is imminent and that another round of prime-rate cuts is in the offing.

Alfred Goldman of A.G. Edwards & Sons in St. Louis called the market's action impressive.

"Every time the market pulls back a little, the buyers come roaring in," he said. "The momentum says we are going higher."

Noting the Dow's 80-point climb over the past four weeks, Mr. Goldman said that the market does not seem to want to give back gains.

"That indicates that there is still money that wants in and that investors who already own stocks are comfortable holding them," Mr. Goldman said.

In the credit markets today, prices of long-term government bonds, which move in the opposite direction from interest rates, moved up more \$5 to \$10 for every \$1,000 in face value.

On the trading floor, BankAmerica was active but off marginally. The bank said Tuesday that it expects to break even in the second quarter. Standard & Poor's lowered its rating on BankAmerica's commercial paper.

Litton also was active, but unchanged.

12 Month	Stock	Div. Yld.	PE	St. 100	High	Low	Close	Chg.
220	16	AAR	19%	19%	19%	19%	19%	19%
210	15	AOS	19%	19%	19%	19%	19%	19%
200	14	AMR	19%	19%	19%	19%	19%	19%
190	13	AMT	19%	19%	19%	19%	19%	19%
180	12	AMT	19%	19%	19%	19%	19%	19%
170	11	AMT	19%	19%	19%	19%	19%	19%
160	10	AMT	19%	19%	19%	19%	19%	19%
150	9	AMT	19%	19%	19%	19%	19%	19%
140	8	AMT	19%	19%	19%	19%	19%	19%
130	7	AMT	19%	19%	19%	19%	19%	19%
120	6	AMT	19%	19%	19%	19%	19%	19%
110	5	AMT	19%	19%	19%	19%	19%	19%
100	4	AMT	19%	19%	19%	19%	19%	19%
90	3	AMT	19%	19%	19%	19%	19%	19%
80	2	AMT	19%	19%	19%	19%	19%	19%
70	1	AMT	19%	19%	19%	19%	19%	19%
60	0	AMT	19%	19%	19%	19%	19%	19%
50	0	AMT	19%	19%	19%	19%	19%	19%

lower oil prices  
stocks. Lower  
s are also may en-  
profits in  
quiries, he said.  
the institutional  
the cause for  
aning economy.  
the Federal  
to aid the  
discount-rate  
ther found of

ards & Sons in  
on impressive,  
ack a little, the  
"The momen-

climb over the  
said that the  
to give back

ill money that  
s already own  
them," Mr.

prices of long-  
move in the  
ates, moved up  
in face value.  
merica was so-  
said Tuesday  
in the second  
and its rating on  
changed.



## BUSINESS ROUNDUP

## Toshiba Sees Net Rising 8% to a Record in Year

**TOKYO** — Toshiba Corp.'s consolidated net income will rise 8 percent to at least a record 93 billion yen (\$737 million) in the fiscal year ending March 31, 1986, Yuchiichi Yamada, vice president, predicted at a press conference Wednesday.

Group sales are expected to rise 12 percent to 3.73 trillion yen and

earnings per share to at least 32 yen from 29.63 yen in 1985, he said.

The company earlier reported 1985 consolidated net income of a record 86.12 billion yen, up 46 percent from a year earlier, on sales of a record 3.343 billion yen, up 23.5 percent.

Sales in the heavy electrical division are expected to fall 6 percent in 1986 because of slow domestic and export sales of large industrial plants.

However, home appliance sales are expected to rise 19 percent, including refrigerator plant exports to Algeria and color television plant exports to China, Mr. Yamada said.

Research and development spending will rise to 200 billion yen, 5.4 percent of expected sales, in 1986 from 175 billion or 5.2 percent of sales in 1985, he said.

Capital spending is scheduled to rise slightly to 280 billion yen, including 120 billion to 130 billion yen on semiconductor from 1985's 270 billion yen, including 150 billion yen on semiconductor.

Sales in the electronic component and industrial electronics division rose 27 percent to 1.151 trillion yen in 1985 from 907.02 billion yen a year earlier. Exports rose 38 percent and domestic sales 20 percent, Mr. Yamada said.

Office automation equipment sales rose 38 percent, other office labor-saving equipment sales gained 35 percent and semiconductor sales rose 45 percent.

Home appliance sales rose 13 percent, including a 38-percent rise in exports and a 7-percent increase in domestic sales.

## GM, NHK Join To Make Parts

**TOKYO** — General Motors Corp. will team up with a major Japanese spring maker to develop and produce car suspension systems in Japan using a new plastic 50 percent lighter than steel, officials in Tokyo said Wednesday.

The U.S. automaker and NHK Spring Co. reached an agreement in March to set up the joint-venture company by the end of this year, said Koichi Sasaki, an official of NHK Spring's overseas planning department.

Mr. Sasaki said it would be the first time that GM has ever teamed up with a Japanese company to produce auto parts in Japan. NHK will own 55 percent of the venture but both sides will contribute technology to the manufacture of the systems, which will be built using fiber-reinforced plastics, Mr. Sasaki said.

## Wang Sees 4th-Period Operating Loss, Plans to Cut Work Force by About 5%

**LOWELL, Massachusetts** — Wang Laboratories Inc., the U.S. computer company, said Wednesday it expects a fourth-quarter operating loss and a year-end adjustment in inventory values. The company also said it plans to cut its work force by about 5 percent.

Wang said the cuts in its labor force will start immediately. The company added that it has "delayed salary and wage increases for six months, and taken other actions to reduce operating costs."

As previously reported, Wang reported profit of \$124.4 million for the nine months ended March 31, down from \$136.4 million a year before. It had fiscal 1984 profit of \$210.2 million, including a gain of \$41.7 million on offshore manufacturing exemptions.

But the company said it expects to show a profit for all of fiscal 1985 despite the expected fourth-quarter loss.

For the third fiscal quarter, Wang reported net income of \$17 million, on revenue of \$352.7 million.

In a statement explaining the projected loss, Wang said that "because preliminary April and May results reflected lower than anticipated savings from programs to reduce expense growth, the company is not expected to be profitable from operations in its fourth quarter."

In addition, it said, "the lower than expected levels of business have resulted in accumulations of inventories which will require valuation adjustments at year-end."

## Reed International Profit Rose 11.5% in Fiscal 1985

**LONDON** — Reed International PLC said Wednesday that pretax profit in fiscal 1985 rose 11.5 percent to £107.5 million (\$136.5 million) from £96.4 million last year.

Reed said that improved performance in its U.S. publishing business made up for the decline in domestic profit. Weakness of the British pound contributed £7 million to an £18-million increase in overseas profit, Reed said.

Reed, a holding company with publishing, advertising, newsprint and other paper-related interests in Europe and North America, said that revenue was £2.12 billion, up 3.9 percent from £2.04 billion for fiscal 1984. Exceptional costs for restructuring of operations amounted to £5 million, half the previous year.

The company said that its Reed Publishing division generated 45

percent of trading profit, although this sector accounted for just 21 percent of capital employed.

Reed said that its Calmex publishing business in the United States had been particularly successful. Substantial investment also was reported in electronic database publishing.

The Consumer Publishing division, mainly magazines, books and advertising, was affected by sharply increased paper costs and a strike by journalists.

British paper mills had a loss of £3 million in the first nine months of the year, but returned a profit in the last quarter.

In April, Reed said it was selling its Crown and Sunworthy wallcovering operations to Borden Inc. And Reed has said it is seeking buyers for the companies in its building products group.

## U.K. Government Is Said to Approve Plans for BL-Honda Cooperation

**LONDON** — The British government has approved a five-year, £1.55-billion (\$1.97-billion) investment program for BL PLC that would lead to increased cooperation between it and Honda Motor Co., The Financial Times said Wednesday.

The plan provides for BL's Austin-Rover division to begin assembling Honda cars next year at Longbridge, near Birmingham. The Japanese company plans to market those cars in the European Community.

Britain's secretary for Trade and Industry, Norman Tebbit, told Parliament on Wednesday that Honda and BL had made important proposals for collaborative projects, but he declined to give any details. He said that the government would later announce its corporate plan for BL, Reuters reported from London.

Under the plan, Austin-Rover and Honda also are to jointly produce a medium-sized car called the VY. And Austin-Rover is to produce a small car with a Honda gearbox and an engine to be made in Britain by Honda, which is building a plant at Swindon.

The government was said to have been influenced by two factors: that adoption of a Honda engine would cut £250 million from the plan's costs, and that cooperation with Honda would be desirable from the standpoint of the state-owned automaker.

BL is 99-percent owned by the British government, with the remainder held by private shareholders. The company has declared its intention to return all subsidiaries to private-sector ownership.

## COMPANY NOTES

**American Telephone & Telegraph Co.** said that it has agreed to pay \$55 million for Communications Satellite Corp.'s 50-percent interest in three U.S. Earth stations used for international satellite communications.

**Carter-Hawley Hale Stores Inc.**, a Los Angeles-based retailer, said it plans to spend about \$60 million during the next five years on a program that will involve the opening of 37 new stores in the United States and a major modernization of existing stores.

**Chiyoda Chemical Engineering & Construction Co.** is leading a group of Japanese companies that Thai Oil Refinery Co. said had made the

lowest offer, \$180 million, to expand a refinery.

**Daimler-Benz AG's** planned takeover of Dornier GmbH, West Germany's second-largest aerospace company, has been approved by the Federal Cartel Office, a spokesman for the office said. Daimler is taking a 65.5-percent stake in Dornier.

**Pan-Electric Industries Ltd.** said that it has withdrawn from an agreement to acquire Singapore's Adelphi Hotel from Adelphi Development Pte. for 77 million Singapore dollars (\$34.8 million).

**Unifon Carbide Corp.** and Iwatani & Co. of Osaka have agreed to

establish an industrial gases joint venture in Japan. The U.S.-based chemical company said that it would take a maximum 25-percent ownership in Iwatani Industrial Gases and provide it with applications, distribution and production technology.

**Unocal Corp.** has said four insurance companies for allegedly canceling \$100 million in liability insurance policies on its directors the day after T. Boone Pickens disclosed his 7.9-percent interest in the Los Angeles-based oil company. Unocal alleged that the companies intended to cancel the coverage at the first sign of a hostile takeover attempt.

## Regrouping Assets to Raise New Funds

(Continued from Page 7)

investment bankers are plucking out specific assets as the collateral and source of income to support the issuance of new securities.

"In many cases, the asset is of a higher quality than the credit of the underlying issuer," said Daniel Kearney, a managing director of Salomon Brothers Inc.

The packages either take the form of debt securities, in which a fixed amount of interest and principal is returned to investors, or of equity-type investments, where return is based on a fluctuating amount of income from the underlying asset.

Lower-cost financing usually is available when specific assets back up a security. In the case of Sperry, the lease-backed agreement was accomplished at a cost of less than half a percentage point over a comparable Treasury issue, whereas the cost of capital for a standard financing "would have been considerably more expensive," said Anthony V. Dub, a managing director of First Boston Corp. who heads a newly created 25-member asset financing group.

Part of the reason why asset-financing is less expensive is that

private insurance or bank letters of credit are used to insure or guarantee the first 10 percent to 20 percent of the asset pool that might go into default. As a result, Moody's Investors Service and Standard & Poor's Corp. have been blessing the asset-backed securities with the highest credit ratings.

Thus far, the market for these securities has been mostly large investors. The size of the securities offered ranged from \$10 per unit to \$1,000 per bond to as much as \$25,000 and more for some of the packages.

Despite the excitement on Wall Street and in the corporate community, there are limits to how fast the securitization of assets will grow.

"There is not a lot of history to how these instruments perform in different types of markets," said John Zaccary, the managing director of Morgan Stanley & Co. who is in charge of his company's new Securitized Products Group. "We are approaching this cautiously."

In addition, banking and accounting supervisors are focusing on the impact of the removal of some assets from the balance sheet once they are securitized. They are concerned, say investment bankers,

when the company that issues the securities may be liable for a portion of any losses on the receivables. Also, assets sold might be replaced with assets, such as investments, that involve more risk or lower returns.

"The expansion will be a bit slower than most people think because each one of these deals is very complicated," Mr. Dub said.

Nonetheless, Mr. Dub predicts that his company will raise between \$1 billion and \$2 billion in asset-backed agreements this year.

Companies and banks are also eager to securitize assets because they can eliminate their exposure to volatile interest rates by using the proceeds of the securities sale to pay down existing debt.

Companies sometimes get other benefits, too. Analysts, for instance, credited UAL's announcement of its hotel partnership with helping to raise its stock price

## Defense Stocks Stir Debate

(Continued from Page 7)

rebound looks more risky to bet on. It's less certain than in recent years.

Yet Mr. Campbell leans towards the positive side, projecting another one to three years of strong earnings for the stocks, and sees little "downside risk" because of the mergers and share-repurchase programs.

Edmund Greenslet, aerospace analyst for Merrill Lynch, sees a war of attrition ahead for the defense stocks, as they get bogged down in a "noticeable slowing of backlog, then sales and earnings."

Nevertheless, he believes the issues are better buys now than earlier in the year. The reason: As projected earnings of other stock market sectors have been shaved back in the declining economy, the relative valuations of these recession-proof issues have risen.

"But as we go forward from here," he said, "a considerable number of the best-known stocks might prove poor performers compared to the rest of the stock market." He thinks investors will have to become very selective and pick companies that will continue to grow despite the flat defense budgets on the horizon.

"Missiles and munitions, including so-called smart weapons," he said, appear to be the burgeoning areas, "along with space, electronics and communications, especially command control."

Mr. Greenslet said Martin-Marietta "stands out" as an investment, as do Northrop and McDonnell Douglas.

E.F. Hutton's Hans Flicker, aerospace analyst, and Peter Aseris, who follows military electronics stocks for the firm, are not much stirred up by the defense group, even as takeover candidates. Lockheed and United Technologies are reserved favor, followed by Loral and Sanders Associates.

Gold Options (quotes in \$/oz.)			
Month	Aug	Nov	Feb
30	17.80-17.90	22.50-22.60	22.50-22.60
30	17.80-17.90	22.50-22.60	22.50-22.60
30	17.80-17.90	22.50-22.60	22.50-22.60
30	17.80-17.90	22.50-22.60	22.50-22.60
30	17.80-17.90	22.50-22.60	22.50-22.60

Values White Weld S.A.  
1, Quai de Montebello  
1211 Geneva 1, Switzerland  
Tel. 31.82.51 - Telex 28.365

## ADVERTISEMENT

## INTERNATIONAL FUNDS

Quotations Supplied by Funds Listed

5 June 1985

The net asset value quotations shown below are supplied by the Funds listed with the permission of the Investment Company Institute. The following information is for informational purposes only and does not constitute an offer of securities. For more information, contact your broker or the Investment Company Institute, 1000 Connecticut Avenue, N.W., Washington, D.C. 20036.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

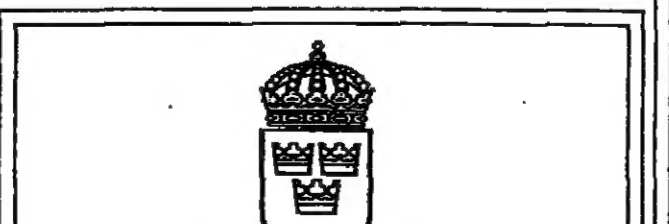
(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.

(\*) denotes a fund which is not open for subscription or redemption.



## Kingdom of Sweden

U.S. \$750,000,000

## Floating Rate Notes due 2000

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 5th June, 1985 to 5th December, 1985 the Notes will carry an Interest Rate of 7 1/8% per annum.

Interest payable on 5th December, 1985 will amount to U.S. \$403.49 per U.S. \$100,000 Note.

Morgan Guaranty Trust Company of New York

London

Agent Bank

**NOTICE OF ANNUAL GENERAL MEETING**

**FIDELITY FAR EAST FUND**

Société d'Investissement à Capital Variable  
37 rue Notre-Dame, Luxembourg  
R. C. Luxembourg B 16926

Notice is hereby given that the Annual General Meeting of the Shareholders of FIDELITY FAR EAST FUND, a société d'investissement à capital variable, organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the principal and registered office of the Fund, 37 rue Notre-Dame, Luxembourg, at 11.00 a.m. on June 25, 1985, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Statutory Auditor.
3. Approval of the Balance Sheet at February 28, 1985 and Income Statement for the fiscal year ended February 28, 1985.
4. Discharge of Board of Directors and the Statutory Auditor.
5. Election of eight (8) Directors, specifically the re-election of all present Directors, Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Fraser, Hisashi Kurokawa, John M. S. Patton, Harry G. A. Seggerman, James E. Turner and Finimtrust.

Approval of the above items on the Agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting, with no minimum number of shares required to be present or represented at the Meeting in order to establish a quorum. Subject to the limitations imposed by law and the Articles of Organization of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: May 24, 1985

By order of the Board of Directors

FIDELITY FAR EAST FUND is an investment company with the objective of seeking long term capital growth from a diversified portfolio of predominantly Japanese companies. Investment will also be made in companies located elsewhere in the Pacific Basin. At May 15, 1985 the Fund's assets were invested in Japan 63%, Hong Kong 6%, Australia 3%, Thailand 1.5% and cash and miscellaneous 6.5%. The Fund was launched in November 1979 at \$10 (adjusted for stock splits on July 19, 1984). Since launch the offer price of shares has risen by 111% to \$21.15. The Fund is now valued at \$21.3M.

Copies of the Offering Circular and latest Quarterly Report can be obtained from Fidelity International at:

BO. Box 670, Pembroke Hall,  
East Broadway, Pembroke,  
Hamilton, Bermuda  
Tel: (809) 295 0665  
Telex: 0280 3318

9 Bond Street,  
St. Helier,  
Jersey, C.I.  
Tel: (0234) 71696  
Telex: 492260

These securities were offered and sold outside the United States.  
This announcement appears as a matter of record only.

**LIBRA BANK PLC**

**U.S. \$100,000,000**

**Subordinated Floating Rate Notes due 1995**

**Issue Price 100%**

BANQUE PARIBAS CAPITAL MARKETS ARABIAN GENERAL INVESTMENT CORPORATION  
MERRILL LYNCH CAPITAL MARKETS NOMURA INTERNATIONAL LIMITED  
ORION ROYAL BANK LIMITED

CHASE MANHATTAN CAPITAL MARKETS GROUP  
CIBC LIMITED  
DAIWA EUROPE LIMITED  
MANUFACTURERS HANOVER LIMITED  
PAINWEBBER INTERNATIONAL  
PK CHRISTIANIA BANK (UK) LIMITED  
SWISS BANK CORPORATION INTERNATIONAL LIMITED  
WESTPAC BANKING CORPORATION  
YASUDA TRUST EUROPE LIMITED











**NASDAQ National Market Prices**

0.06	1.17	1.46	1.52	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	---

\_\_\_\_\_















